



First Quarter 2019
Earnings Conference Call

May 9, 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, Superior's strategic and operational initiatives, product mix and overall cost improvement and are based on current expectations, estimates, and projections about Superior'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 Superior's Securities and Exchange Commission filings and reports, including Superior's Annual Report on Form 10-K for the year-ended December 31, 2018, 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 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, changes in fair value of redeemable preferred stock embedded derivative liability, acquisition and integration costs, CEO separation related costs, and accounts receivable program fees, and "Value-Added Sales," which Superior defines as net sales less the value of aluminum and services provided by outsourced service providers that are included in net sales. Adjusted EBITDA and Value-Added Sales are not calculated in accordance with GAAP.

Management believes these non-GAAP measures are useful to management and may be useful to investors in their analysis of Superior's financial position and results of operations. Further, management uses these non-GAAP financial measures for planning and forecasting purposes. This non-GAAP financial information is provided as additional information for investors and is not in accordance with or an alternative to GAAP and 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, Superior has not quantitatively reconciled differences between Adjusted EBITDA presented in the 2019 outlook to net income, the most comparable GAAP measure, as Superior is unable to quantify certain amounts included in net income without unreasonable efforts and due to the inherent uncertainty regarding such variables. Superior also believes that such 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.

First Quarter 2019 Key Updates

| Key Metrics | | Year-over-Year Key Updates |
|---|--|---|
| 5.0M UNITS SHIPPED | \$357.7M NET SALES | <ul style="list-style-type: none">Volume down ~500K unitsNet sales down 7% driven by lower shipments, a weaker Euro, and lower aluminum pricesExcluding impacts of foreign exchange, Value-Added Sales down 3% due to lower volume, partially offset by favorable mixValue-Added Sales per wheel up \$0.80, benefiting from favorable mix, mostly offset by a weaker EuroAdjusted EBITDA impacted by lower volumes and higher utility costs |
| \$192.8M VALUE-ADDED SALES ⁽¹⁾ | \$2.0M NET INCOME | |
| \$43.2M ADJUSTED EBITDA ⁽¹⁾ | \$38.26 VALUE-ADDED SALES / WHEEL ⁽¹⁾ | |

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

First Quarter 2019 Vehicle Production and Shipment Trends

NORTH AMERICA
LIGHT VEHICLE
PRODUCTION
(2.5%)⁽¹⁾

SUPERIOR
NORTH AMERICA
SHIPMENTS
(11.3%)⁽²⁾

Superior's North American Shipments

- Driven by reduced take rates on several platforms that Superior supplies and softer industry production levels at our key customers

EUROPE
LIGHT VEHICLE
PRODUCTION
(5.1%)⁽¹⁾

SUPERIOR
EUROPE
SHIPMENTS
(5.8%)^(2,3)

Superior's European Shipments

- Impacted primarily by softer industry production volumes within Superior's customer base

Despite volume headwinds, Value-Added Sales⁽⁴⁾, excluding impacts of foreign exchange, down only 3% due to favorable mix

(1) Source: IHS Automotive; Europe based on Western and Central Europe as reported by IHS on April 16, 2019

(2) Adjusted for units produced in Europe and shipped to North America for assembly

(3) Excludes sales to aftermarket customers

(4) Value-Added Sales is a non-GAAP financial measure; see appendix for a reconciliation to net sales

First Quarter 2019 Financial Summary

(\$ in millions, except Earnings per Share)

Unaudited

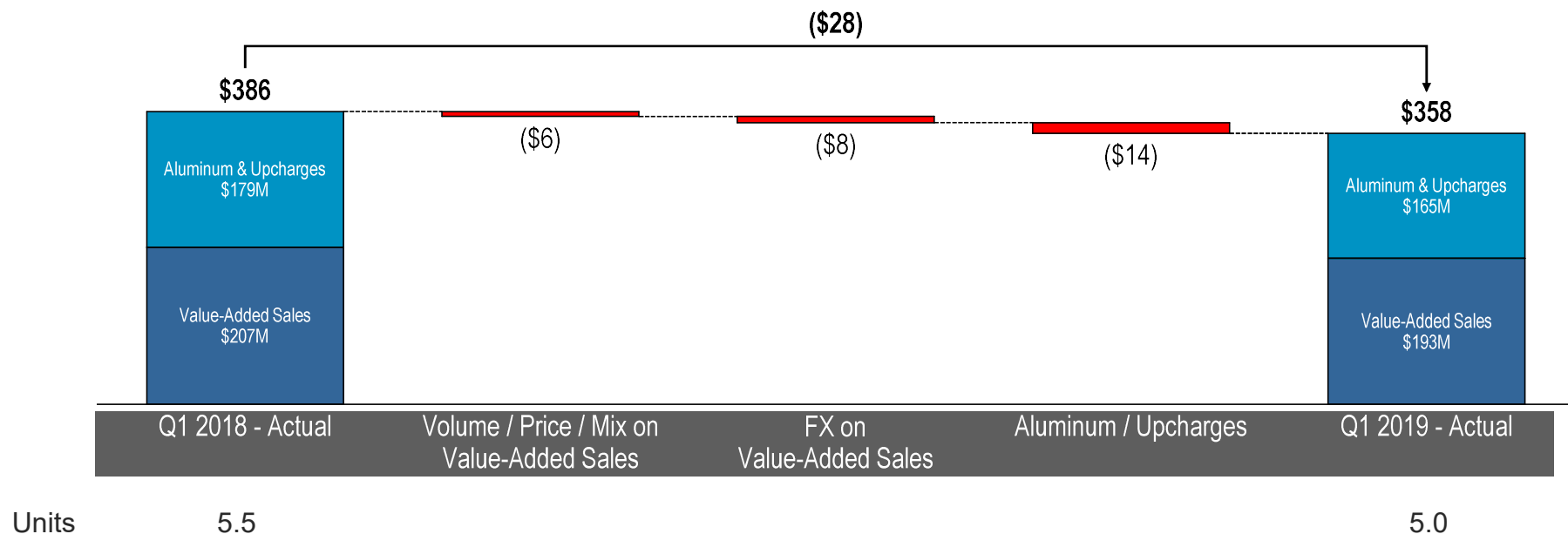
| | Three Months | |
|---|------------------|-----------------|
| | 1Q 2019 | 1Q 2018 |
| Units | | |
| North America | 2,624 | 3,035 |
| Europe | 2,415 | 2,502 |
| Global | 5,039 | 5,537 |
| Net Sales | | |
| North America | \$ 185.1 | \$ 204.1 |
| Europe | 172.6 | 182.3 |
| Global | \$ 357.7 | \$ 386.4 |
| Value-Added Sales ⁽¹⁾ | | |
| North America | \$ 89.3 | \$ 102.5 |
| Europe | 103.5 | 104.9 |
| Global | \$ 192.8 | \$ 207.4 |
| Net Income | \$ 2.0 | \$ 10.3 |
| Adjusted EBITDA ⁽¹⁾ | \$ 43.2 | \$ 52.2 |
| Diluted Earnings (Loss) Per Share ⁽²⁾ | \$ (0.24) | \$ 0.07 |

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

(2) See Impact of Acquisition-related Items and reconciliation from net income to diluted EPS in the appendix of this presentation

First Quarter 2019 Year-over-Year Sales Bridge

(\$ and units in millions)

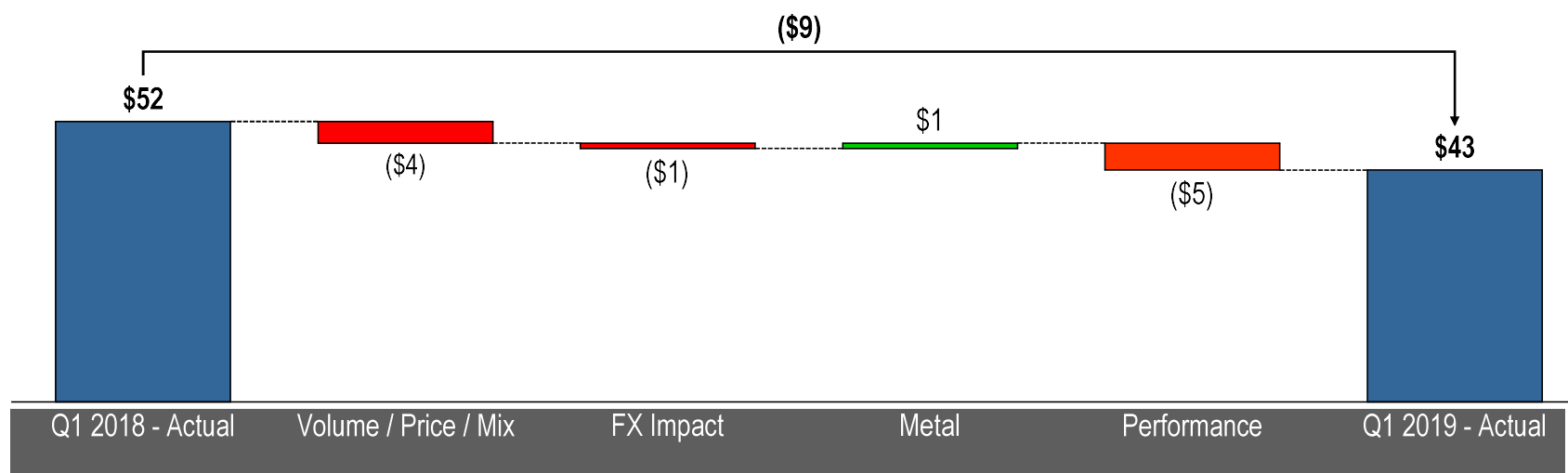


- Volume / Price / Mix on Value-Added Sales⁽¹⁾: Lower volume, partially offset by improved mix and larger wheels
- FX on Value-Added Sales⁽¹⁾: Driven primarily by weaker EUR/USD (1.14 in 2019 and 1.23 in 2018)
- Aluminum / Upcharges: Lower volume, lower aluminum prices, and weaker Euro, partially offset by increased outside service provider costs

(1) Value-Added Sales is a non-GAAP measure; see appendix for reconciliation to net sales

First Quarter 2019 Year-over-Year Adj. EBITDA⁽¹⁾ Comparison

(\$ in millions)



Adj. EBITDA %
of Value-Added
Sales⁽¹⁾ 25%

22%

- Volume / Price / Mix: 500K unit volume decrease more than offset benefit of favorable price/mix
- FX: Weaker Euro EUR/USD (1.14 in 2019 vs. 1.23 in 2018) partially offset by better Mexican Peso rates including Superior's hedges (20.0 MXN/USD all-in rate in 2019 vs. 18.6 in 2018)
- Metal: Timing of pass-through contracts with customers
- Performance: Primarily effect of lower production volumes on plant efficiency and higher utility expenses, partially offset by lower selling, general, and administrative expenses

(1) Adjusted EBITDA is a non-GAAP measure; see appendix for a reconciliation to net income

First Quarter Cash Flow and Liquidity

Operating Cash Flow

- Generated \$28.7M of operating cash flow compared to \$14.4M in prior year
- Improvement driven by improved working capital management, including inventory and use of accounts receivable program, and timing of cash tax payments

Investing Activities

- Capital expenditures of \$13.4M

Financing Activities

- Paid dividends of \$6.1M
- Acquired \$1.4M from minority shareholders of Superior Industries Europe AG

Total Cash for Debt Repayment

- Cash generation before debt repayment⁽¹⁾ of \$9.1M compared to (\$18.4M) in prior year

(1) Net Cash Flow from Operating, Investing, and Financing activities, excluding debt repayment. Excludes effect of exchange rate changes on cash

Debt / Liquidity

| | \$ | Maturity |
|---------------------------------------|--------------|--------------|
| Total Cash | \$54 | |
| U.S. \$160M Revolving Credit Facility | - | May 23, 2022 |
| EUR 30M Revolving Credit Facility | - | Jul 31, 2020 |
| Term Loan B | 382 | May 23, 2024 |
| European Equipment Loan | 16 | Mar 31, 2024 |
| Capital Leases | 2 | n/a |
| Total Senior Secured Debt | \$400 | |
| Senior Unsecured Notes (250M EUR) | \$280 | Jun 15, 2025 |
| Total Debt | \$680 | |
| Net Debt | \$626 | |

- No near-term maturities of funded debt
- Total available liquidity of \$243.4M including cash and availability under revolving credit facilities

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 |

Outlook provided on March 7, 2019 reaffirmed

(1) Value-Added Sales is a non-GAAP financial measure; see appendix for a reconciliation to net sales 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



Appendix



First Quarter Income Statement

(\$ in millions, except Earnings per Share)

Unaudited

| | Three Months | |
|--|--------------|---------|
| | 1Q 2019 | 1Q 2018 |
| | Actual | Actual |
| Unit Shipments (000s) | 5,039 | 5,537 |
| Net Sales | \$357.7 | \$386.4 |
| Value-Added Sales ⁽¹⁾ | 192.8 | 207.4 |
| Gross Profit | 33.1 | 50.0 |
| SG&A | 14.5 | 22.4 |
| Income from Operations | \$18.6 | \$27.6 |
| Interest Expense, net | (11.9) | (11.9) |
| Other Expense, net | (0.4) | (2.9) |
| Change in Fair Value of Preferred Derivative | 0.6 | 0.9 |
| Income Before Income Taxes | \$6.9 | \$13.7 |
| Income Tax Provision | (4.9) | (3.4) |
| Net Income | \$2.0 | \$10.3 |
| Diluted Earnings (Loss) Per Share | (\$0.24) | \$0.07 |
| Adjusted EBITDA ⁽¹⁾ | \$43.2 | \$52.2 |
| % of Value-Added Sales | 22.4% | 25.2% |

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

Summary Balance Sheet

(\$ in millions)

Unaudited

ASSETS

| | 3/31/2019 | 12/31/2018 |
|----------------------------------|------------------|-------------------|
| Cash & Short Term Investments | \$53.6 | \$48.2 |
| Accounts Receivable, net | 134.9 | 104.6 |
| Inventories, net | 166.3 | 175.6 |
| Income Taxes Receivable | 2.1 | 6.8 |
| Other Current Assets | 24.7 | 35.2 |
| Total Current Assets | \$381.6 | \$370.4 |
| Property, Plant & Equipment, net | 527.0 | 532.8 |
| Goodwill | 285.7 | 291.4 |
| Intangibles | 158.8 | 168.4 |
| Deferred Income Taxes, net | 40.3 | 42.1 |
| Other Assets | 66.8 | 46.5 |
| Total Assets | \$1,460.2 | \$1,451.6 |

LIABILITIES & EQUITY

| | | |
|---|------------------|------------------|
| Accounts Payable | \$113.4 | \$107.3 |
| Accrued Expenses | 67.6 | 65.7 |
| Current Portion of Long-term Debt | 3.9 | 3.0 |
| Income Taxes Payable | 2.6 | 2.5 |
| Total Current Liabilities | \$187.5 | \$178.5 |
| Long-term Debt (Less Current Portion) | 656.7 | 661.4 |
| Non-Current Liabilities | 92.3 | 80.1 |
| Redeemable Preferred Shares | 148.5 | 144.5 |
| European Noncontrolling Redeemable Equity | 12.2 | 13.8 |
| Shareholders' Equity | 363.0 | 373.3 |
| Total Shareholders' Equity | \$363.0 | \$373.3 |
| Total Liabilities & Equity | \$1,460.2 | \$1,451.6 |

First Quarter Statement of Cash Flow

(\$ in millions)

Unaudited

| | Three Months Ended | |
|---|--------------------|-----------------|
| | 1Q 2019 | 1Q 2018 |
| Net income | \$2.0 | \$10.3 |
| Depreciation and Amortization | 23.3 | 24.4 |
| Income tax, Non-cash changes | (1.7) | (8.5) |
| Stock-based Compensation | 0.5 | 0.7 |
| Debt Amortization | 0.9 | 1.0 |
| Other Non-cash items | 2.3 | 1.0 |
| Changes in Operating Assets and Liabilities: | | |
| Accounts Receivable | (31.3) | (33.2) |
| Inventories | 7.5 | (6.3) |
| Other Assets and Liabilities | 9.7 | 3.0 |
| Accounts Payable | 5.3 | 12.6 |
| Income Taxes | 10.2 | 9.4 |
| Cash Flow Provided by Operating Activities | \$28.7 | \$14.4 |
| Capital Expenditures | (13.4) | (22.7) |
| Proceeds from Sales and Maturities of Investments | 1.5 | - |
| Cash Flow Used by Investing Activities | (\$11.9) | (\$22.7) |
| Debt Repayment | (1.0) | (1.8) |
| Cash Dividends | (6.1) | (9.5) |
| Purchase of Non-controlling Redeemable Shares | (1.4) | - |
| Payments Related to Tax Withholdings for Stock-Based Compensation | (0.2) | (0.6) |
| Proceeds from Borrowings on Revolving Credit Facility | 25.0 | 26.1 |
| Repayments of Borrowings on Revolving Credit Facility | (25.0) | (26.1) |
| Cash Flow Used by Financing Activities | (\$8.7) | (\$11.9) |
| Effect of Exchange Rate on Cash | (2.0) | (2.9) |
| Net Change in Cash | \$6.1 | (\$23.1) |
| Cash - Beginning | 47.5 | 46.4 |
| Cash - Ending | \$53.6 | \$23.3 |

Reconciliation of Earnings per Share Calculation

(\$ in millions, except Earnings per Share)

Unaudited

| | Three Months | |
|---|------------------|----------------|
| | 1Q 2019 | 1Q 2018 |
| Basic EPS Calculation⁽¹⁾ | | |
| Net Income | \$ 2.0 | \$ 10.3 |
| Less: Accretion of Preferred Stock | (4.0) | (4.1) |
| Less: Redeemable Preferred Stock Dividends | (3.8) | (3.9) |
| Less: European Noncontrolling Redeemable Equity Dividends | (0.1) | (0.6) |
| Numerator | \$ (5.9) | \$ 1.7 |
| Denominator: Weighted Avg. Shares Outstanding | 25.0 | 24.9 |
| Basic Earnings (Loss) Per Share | \$ (0.24) | \$ 0.07 |
| Diluted EPS Calculation⁽¹⁾ | | |
| Net Income | \$ 2.0 | \$ 10.3 |
| Less: Accretion of Preferred Stock | (4.0) | (4.1) |
| Less: Redeemable Preferred Stock Dividends | (3.8) | (3.9) |
| Less: European Noncontrolling Redeemable Equity Dividends | (0.1) | (0.6) |
| Numerator | \$ (5.9) | \$ 1.7 |
| Weighted Avg. Shares Outstanding-Basic | 25.0 | 24.9 |
| Dilutive Stock Options and Restricted Stock Units | - | 0.1 |
| Denominator: Weighted Avg. Shares Outstanding | 25.0 | 25.0 |
| Diluted Earnings (Loss) Per Share | \$ (0.24) | \$ 0.07 |

- (1) Basic earnings per share is computed by dividing net income (loss) attributable to Superior, after deducting preferred dividends and accretion and European non-controlling redeemable equity dividends, by the weighted average number of common shares outstanding. For purposes of calculating diluted earnings per share, the weighted average shares outstanding includes the dilutive effect of outstanding stock options and time and performance based restricted stock units under the treasury stock method. The redeemable preferred shares are not included in the diluted earnings per share because the conversion would be anti-dilutive for the periods ended March 31, 2019 and March 31, 2018.

Impact of Acquisition-related Items on EPS

(\$ in millions, except Earnings per Share)

| Unaudited | | Three Months | | Location on Income Statement |
|-----------|--|--------------|-----------|------------------------------|
| | | 1Q 2019 | 1Q 2018 | |
| | Before Tax Impact on Net Income | | | |
| | M&A and Integration | \$ (1.3) | \$ (3.2) | SG&A |
| | Change in Fair Value of Preferred Derivative | 0.6 | 0.9 | Other Income |
| | Total Impact on Net Income | \$ (0.7) | \$ (2.3) | |
| | After Tax Impact on Net Income | \$ (0.5) | \$ (2.0) | |
| | Impact on Earnings (Loss) Per Share | \$ (0.02) | \$ (0.08) | |

Reconciliation of Non-GAAP Financial Measures

Value-Added Sales

Net Sales
Less: Aluminum Value and Outside Service Provider Costs
Value-Added Sales

Three Months

| <u>1Q 2019</u> | <u>1Q 2018</u> |
|-----------------|-----------------|
| \$ 357.7 | \$ 386.4 |
| (164.9) | (179.0) |
| <u>\$ 192.8</u> | <u>\$ 207.4</u> |

Adjusted EBITDA

Net Income
Adjusting Items:
- Interest Expense, net
- Income Tax Provision
- Depreciation
- Amortization
- M&A, Integration and Factoring Fees⁽¹⁾
- Change in Fair Value of Preferred Derivative

Three Months

| <u>1Q 2019</u> | <u>1Q 2018</u> |
|----------------|----------------|
| \$ 2.0 | \$ 10.3 |
| 11.9 | 11.9 |
| 4.9 | 3.4 |
| 16.5 | 17.5 |
| 6.8 | 6.8 |
| 1.7 | 3.2 |
| (0.6) | (0.9) |
| <u>\$ 41.2</u> | <u>\$ 41.9</u> |
| <u>\$ 43.2</u> | <u>\$ 52.2</u> |

Adjusted EBITDA

Outlook for Full Year 2019 Value-Added Sales

Net Sales Outlook
Less: Aluminum Value and Outside Service Provider Costs
Value-Added Sales Outlook

Outlook Range

| | |
|-------------------|-------------------|
| <u>\$ 1,420.0</u> | <u>\$ 1,470.0</u> |
| <u>(655.0)</u> | <u>(665.0)</u> |
| <u>\$ 765.0</u> | <u>\$ 805.0</u> |

(1) In the first quarter of 2019, we incurred approximately \$0.5 million in integration costs, \$0.8 million of restructuring costs and \$0.4 million of AR factoring fees. In the first quarter of 2018, we incurred approximately \$2.3 million in integration costs and \$0.9 million of restructuring costs.

