# Third Quarter 2021 Earnings Conference Call

November 3, 2021



# Forward-looking Statements and Non-GAAP Financial Measures



### **Forward-Looking Statements**

This presentation and webcast 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 "assumes", "may", "should", "could", "will", "expects", "seeks to", "anticipates", "plans", "believes", "estimates", "foresee", "intend", "outlook", "guidance", "predicts", "projects", "projecting", "potential", "targeting", "will likely result" or "continue" or the negative of such terms and other comparable terminology. These statements also include, but are not limited to, the 2021 outlook included herein, the impact of COVID-19 and supply chain disruptions on our future business results, operations and prospects, Superior's strategic and operational initiatives, product mix and overall cost improvement and are based on current or revised 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 current Annual Report on Form 10-K, 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 earnings release, this release refers to the following non-GAAP measures:

"Adjusted EBITDA," defined as earnings before interest income and expense, income taxes, depreciation, amortization, restructuring charges and other closure costs and impairments of longlived assets and investments, changes in fair value of redeemable preferred stock embedded derivative liability, acquisition and integration and certain hiring and separation related costs, proxy contest fees, gains associated with early debt extinguishment and accounts receivable factoring fees. "Value-Added Sales", defined as net sales less the value of aluminum and services provided by outsourced service providers that are included in net sales. "Value-Added Sales Adjusted for FX", defined as Value-Added Sales adjusted for the impact of foreign exchange translation. "Content per Wheel", defined as Value-Added Sales Adjusted for FX on a per unit (wheel) shipment basis. "Free Cash Flow", defined as the net cash from operations, investing activities, and non-debt components of financing activities. "Net Debt", defined as total funded debt less cash and cash equivalents.

For reconciliations of these non-GAAP measures to the most directly comparable GAAP measure, see the attached supplemental data pages. 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.

In reliance on the safe harbor provided under section 10(e) or Regulation S-K, Superior has not quantitatively reconciled from net income, the most comparable GAAP measure, to Adjusted EBITDA presented in the 2021 outlook, 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.

## Agenda





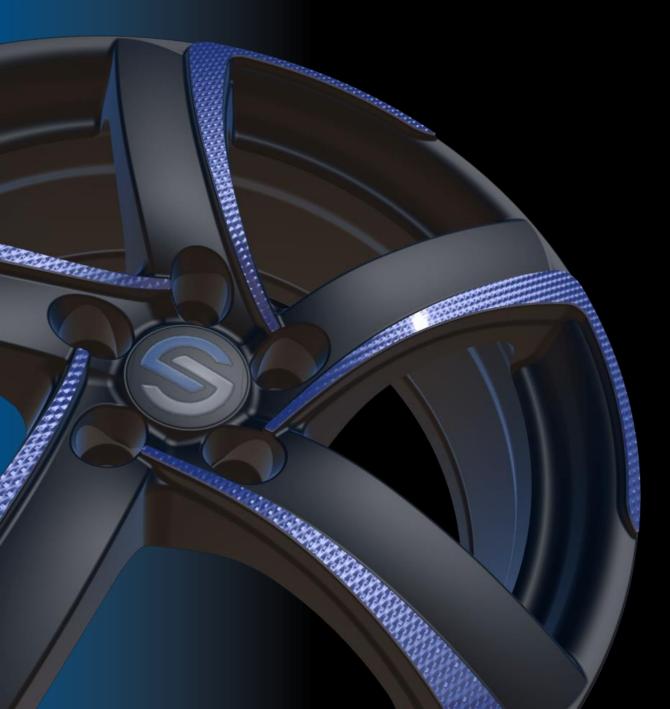


Introduction Clemens Denks *Vice President, Treasurer* 

Business Update Majdi Abulaban President and Chief Executive Officer

**Financial Review** Tim Trenary *Executive Vice President and Chief Financial Officer* 

Delivering innovative solutions



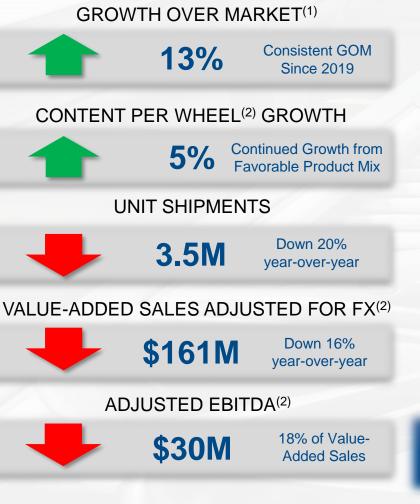
# **Business Update**



## Solid Execution in a Challenging Environment



### Q3 2021 Highlights



### Ongoing market challenges driven by supply chain / global semiconductor shortage

- Supply chain disruptions driving industry production declines, (29%) YoY, and volatility
- Cost of aluminum rose dramatically, as well as other raw materials

### Leveraging operational strengths to support growth

- Growth over Market<sup>(1)</sup> of +13%, Content per Wheel<sup>(2)</sup> growth +5%
- 19" and greater wheels represents more than 48% of OEM shipments
- Continuing expansion of product portfolio through various new product launches

### Unstable industry environment pressuring third quarter results

- Sequential decline of (16%) unit shipments, (20%) YoY
- Adjusted EBITDA<sup>(2)</sup> of \$30 million, declines driven by industry volume and volatility

Increased working capital, mainly driven by rising commodity prices

Liquidity remains strong at \$273M<sup>(3)</sup>, credit revolvers undrawn

Continued Growth over Market despite worst industry environment since Q2 2020; Narrowed Full-Year Adjusted EBITDA<sup>(2)</sup> outlook

<sup>(1)</sup> Based on Value-Added Sales Adjusted for FX, a non-GAAP financial measure (see page 2 for definition and the appendix for reconciliation to the most comparable GAAP measure) compared to industry production. Source: IHS Automotive as reported on October 15, 2021; Europe based on Western and Central Europe.

<sup>(2)</sup> Value-Added Sales, Value-Added Sales Adjusted for FX, Content per Wheel, and Adjusted EBITDA are non-GAAP financial measures; see page 2 for definitions and the appendix for reconciliations to the most comparable GAAP measures

<sup>(3)</sup> Includes cash and availability on committed revolving credit facilities

## **Current Industry Operating Environment**



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### Tailwinds

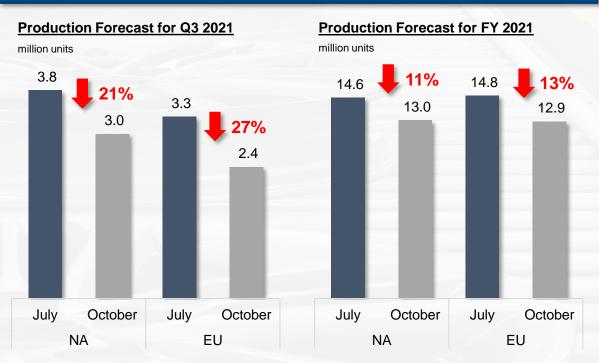
+ Demand for premium mix supported by secular trends

 Pent-up demand expected to support industry recovery in 2022 and beyond

### Challenges

- Semiconductor shortages and other supply chain challenges impacting automotive industry, driving declines in light vehicle production
- Inflationary environment with rapid increase in raw materials pricing affecting cash flow and profitability
- Impact from partial shutdown of German manufacturing site in Q3 2021 due to flooding

### **Production Forecasts since July 2021**



Source: IHS industry production forecasts (Europe based on Western and Central Europe)

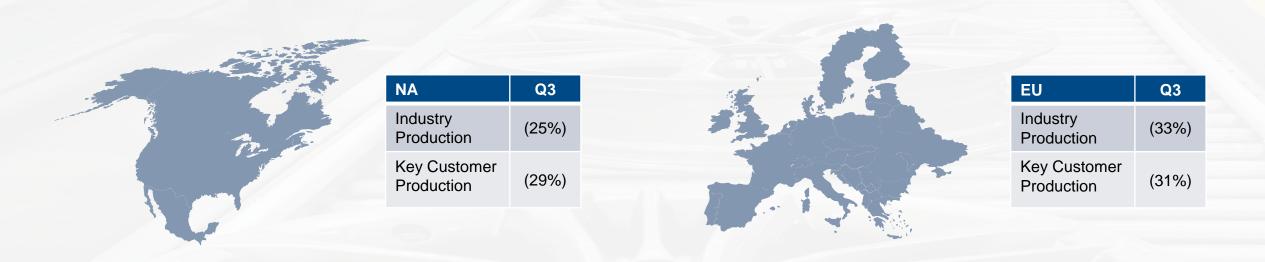
Ongoing Industry Disruption and Lower Production Volumes Stemming From Semiconductor Shortages

## Continued Growth over Market in Third Quarter 2021



### North America YoY Industry Results<sup>(1)</sup>

### Europe YoY Industry Results<sup>(1)</sup>



### **Portfolio Driving Growth**

**Consistent Growth over Market since January 2019** 

Q3 Superior YoY Value-Added Sales<sup>(2)</sup>: (16)% Q3 Growth over Market<sup>(3)</sup>: +13%

- <sup>(2)</sup> Based on Value-Added Sales Adjusted for FX, a non-GAAP financial measure (see page 2 for definition and the appendix for reconciliation to the most comparable GAAP measure)
- <sup>(3)</sup> See page 5, footnote <sup>(1)</sup>, for further explanation

<sup>&</sup>lt;sup>(1)</sup> Source: IHS Automotive as reported on October 15, 2021; Europe based on Western and Central Europe

## **Disciplined Response**



Cost Discipline

- Flex labor cost through temporary layoffs in Mexico
- Short-time labor program in Germany (gov't funded)
- Global hiring freeze
- Prudent volume planning based on observed customer behavior

- 2 Commercial Discipline
- Execute on contractual terms of aluminum price escalation
- Engage customers to address extraordinary business environment

- 3 Cost Reduction
- Disciplined forwardlooking purchasing execution
- Enterprise Cost
   Improvement program
- Accelerate Continuous
   Improvement program

### Capital Management

Reduce inventory levels

4

 Align raw material procurement with realistic production schedules

Numerous Proactive and Hands-on Strategies Taken to Mitigate Headwinds

## **Disciplined Strategy Execution**



### EXECUTING ON OPERATIONAL EXCELLENCE TO SUPPORT PROFITABLE GROWTH

### Stabilize and Execute Current Portfolio

- Focus on Premium Launches
- Improve Troubled Product Lines
- Restructure Footprint
- Reduce Structural Costs

### Operational Excellence

- Cost Discipline
- Quality
- Commercial Discipline
- Continuous Improvement
- Global Procurement Savings
- Premium Product Capabilities

### **Profitable Growth**

- Growth Over Market
- Bookings
- Portfolio Expansion
- EV Penetration
- Green Products
- Launch

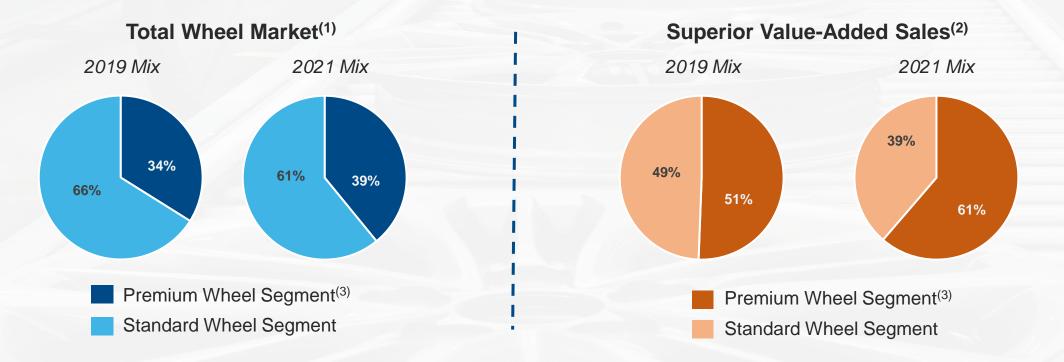


Intimate Customer Relationships Foundation

## Wheel Industry Evolving to Higher Content Premium Wheels



- Superior's accelerating premium wheel competencies are expected to be the basis for its continued Growth over Market
- Secular tailwinds have been persistently moving the total aluminum wheel market towards increased premium content



## Growing premium market combined with Superior's premium wheel capabilities creates unique opportunities to create shareholder value

<sup>(1)</sup> North America and Western Europe and Central Europe. Management estimates, based on units.

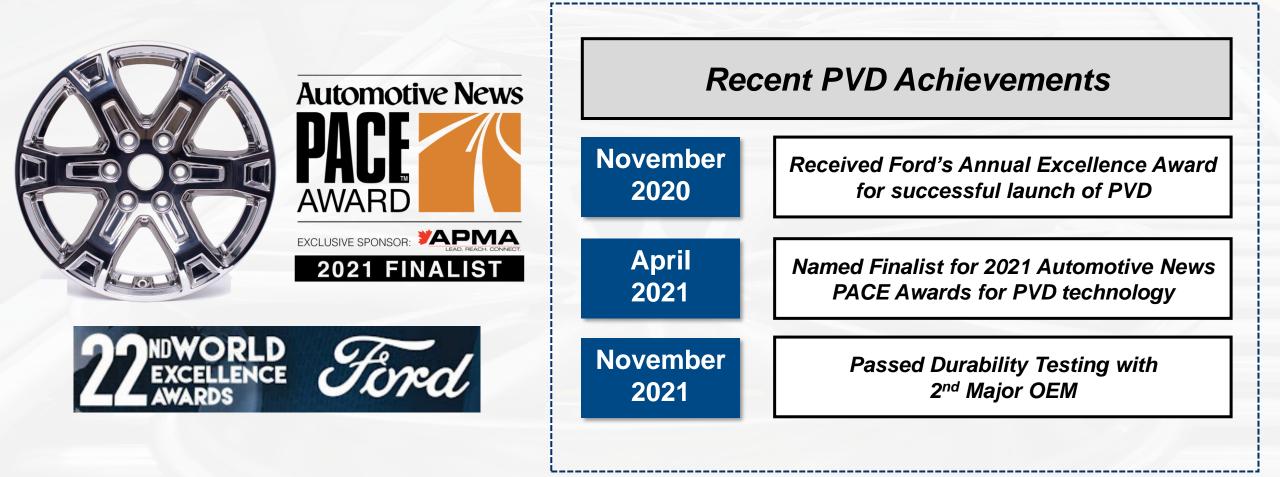
<sup>(2)</sup> Value-Added Sales is a non-GAAP financial measures; see page 2 for definitions. Management estimates.

<sup>(3)</sup> Includes 21" diameter and greater, Diamond Cut, Premium Paint, Ultra Bright Machine, PVD, Matte or Tint gloss, Flow Form, Undercut, Reverse Rim, AluLite, Pad Print, Laser Etch, DecoTech, Inserts, Paint Masking (Bi-Color), 5-Axis Milling

## Advancing Adoption of Innovative PVD Technology



Superior has achieved global recognition for success of environmentally-friendly Physical Vapor Deposition (PVD) technology, driving new product wins across the business





Positioned for continued growth supported by our differentiated portfolio of product technologies

## Full Year 2021 Outlook

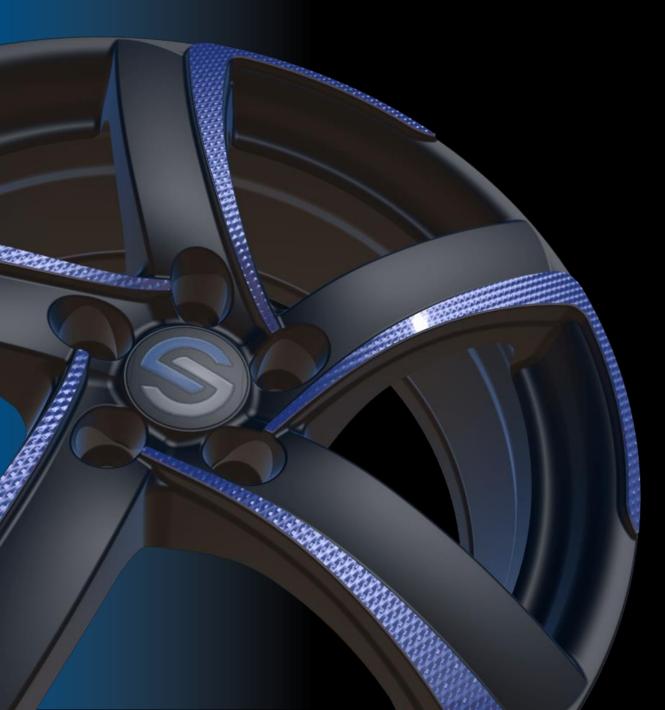




Maintaining FY 2021 Adjusted EBITDA Margin Despite Significantly Lower Production Volumes High level of pent-up demand expected to materialize upon normalization of semiconductor supply

<sup>(1)</sup> Source: Management estimates. Europe based on Western and Central Europe.

<sup>(2)</sup> Adjusted EBITDA is a non-GAAP financial measure; see page 2 for definitions and the appendix for reconciliations to the most comparable GAAP measures



# Third Quarter 2021 Sales and Financial Results



## Third Quarter 2021 Financial Summary



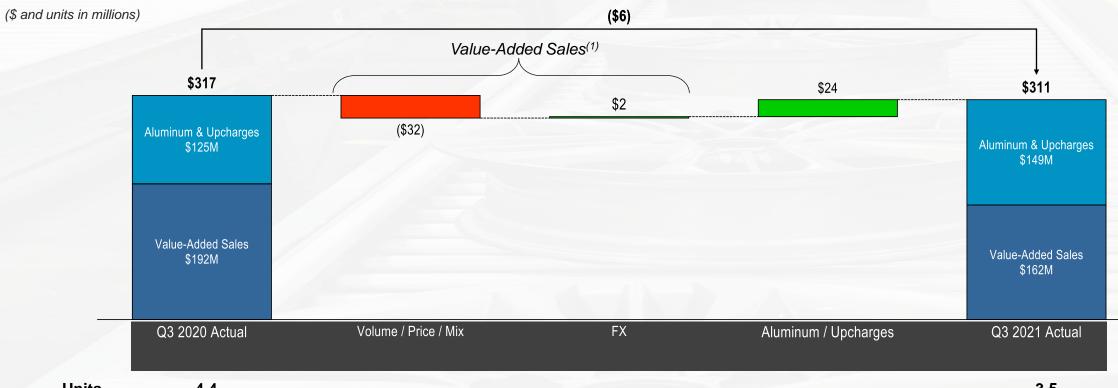
(\$ in millions, except earnings per share, and units in thousands)

	Three Months				Nine M	lonths		
	30	ຊ 2021	30	ຊ 2020	Y	TD 2021	Y٦	D 2020
Units	K							
North America		1,970		2,392		6,527		5,452
Europe		1,530		1,970		5,666		5,285
Global		3,500		4,362		12,193		10,737
Net Sales								
North America	\$	180.5	\$	166.7	\$	549.5	\$	381.2
Europe		130.3		150.4		467.0		381.9
Global	\$	310.8	\$	317.1	\$	1,016.5	\$	763.1
Value-Added Sales <sup>(1)</sup>								
North America	\$	84.6	\$	93.4	\$	274.9	\$	204.6
Europe		77.7		99.1		290.0		242.2
Global	\$	162.2	\$	192.5	\$	564.9	\$	446.8
Net (Loss) Income	\$	(7.2)	\$	11.1	\$	7.6	\$	(222.2
Adjusted EBITDA <sup>(1)</sup>	\$	29.8	\$	46.7	\$	129.3	\$	82.6
Diluted (Loss) Earnings Per Share <sup>(2)</sup>	\$	(0.61)	\$	0.12	\$	(0.69)	\$	(9.66)

<sup>(1)</sup> Value-Added Sales and Adjusted EBITDA are non-GAAP financial measures; see page 2 for definitions and the appendix for reconciliations to the most comparable GAAP measures <sup>(2)</sup> See reconciliation from net income to diluted EPS in the appendix of this presentation

## Third Quarter 2021 Year-over-Year Sales Bridge





Units 4.4

### Value-Added Sales<sup>(1)</sup>

- Volume / Price / Mix: Semiconductor shortage depressing light vehicle production
- FX: Stronger EUR/USD •

### **Aluminum / Upcharges**

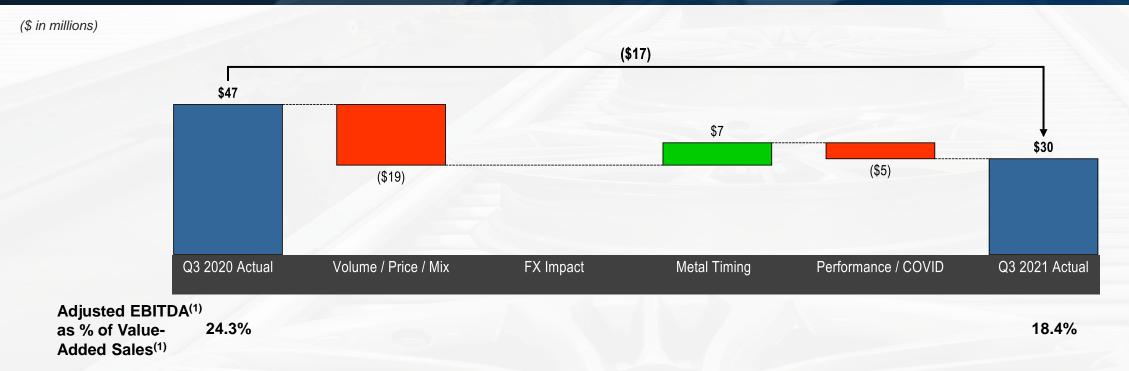
Higher aluminum prices

<sup>(1)</sup> Value-Added Sales is a non-GAAP measure; see page 2 for definition and the appendix for reconciliation to the most comparable GAAP measure

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## Third Quarter 2021 Year-over-Year Adjusted EBITDA<sup>(1)</sup> Bridge





- Volume / Price / Mix: Primarily volume reduction due to depressed light vehicle production
- Metal timing: OEM aluminum cost recovery timing
- Performance / COVID: Unstable OEM production schedules; Q3 '20 temporary cost reduction overhang

## Third Quarter 2021 Free Cash Flow<sup>(1)</sup>



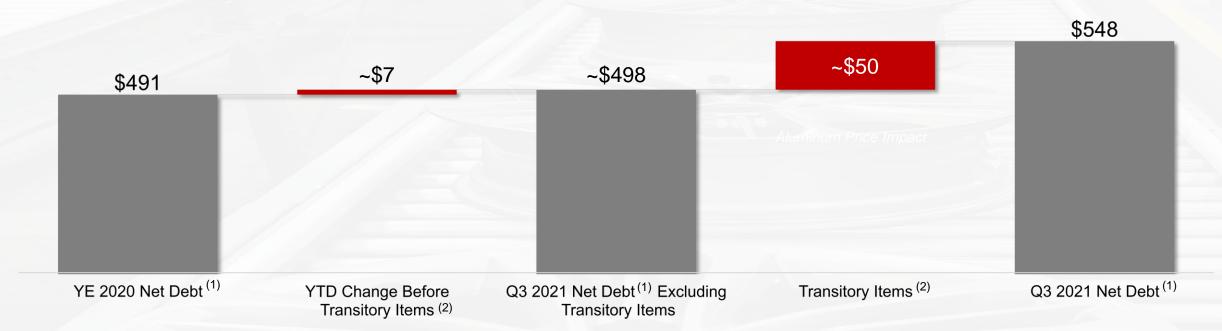
	Q3 2021	Q3 2020
Cash Flow Used In Operating Activities		
<ul> <li>Release of working capital in Q3 2020 due to restart of operations in late Q2 2020</li> <li>Increase in working capital in Q3 2021, especially due to rising aluminum prices</li> </ul>	(\$47M)	\$100M
Cash Used in Investing Activities		
<ul> <li>Includes some carryover from FY 2020 and CapEx to enhance production capabilities in both regions</li> </ul>	(\$20M)	(\$10M)
Cash Used by Financing Activities		
<ul> <li>Repayment of revolver borrowings in Q3 2020</li> <li>Preferred dividends and scheduled debt payments</li> </ul>	(\$5M)	(\$114M)
Free Cash Flow <sup>(1)</sup>		
	(\$70M)	\$86M

<sup>(1)</sup> Free Cash Flow is a non-GAAP financial measure; see page 2 for definition and the appendix for reconciliation to the most comparable GAAP measure

## Transitory Increase in Net Debt<sup>(1)</sup>



(\$ in millions) – Management Estimates



- Significant increase in cost of aluminum creating a transitory increase in working capital
- Temporary increase in inventory volumes resulting from OEM demand volatility
- Decrease in cost of aluminum/normalization of demand schedules will release working capital
- Superior is executing on inventory reduction in Q4 2021 to improve operating cash flow

<sup>(1)</sup> Net Debt is a non-GAAP financial measure; see page 2 for definition and the appendix for reconciliation to the most comparable GAAP measure <sup>(2)</sup> Management's estimate of transitory items includes effect from year-to-date increase in cost of aluminum and increased inventory resulting from OEM demand volatility

## Capital Structure as of September 30, 2021



### Capital Structure (in \$M)

Total Cash	\$76.1
U.S. \$132.5M Revolving Credit Facility	-
Europe €60M Revolving Credit Facility	-
Term Loan B	349.2
Europe Capex Loans	20.3
Finance Leases	2.9
Total Senior Secured Debt	\$372.5
Senior Unsecured Notes (€217M)	\$251.7
Total Debt	\$624.2
Net Debt <sup>(1)</sup>	\$548.1
Preferred Equity	\$194.6

- Substantial liquidity in the form of cash and available amounts under revolving credit facilities
- No near-term debt maturities
- Free Cash Flow<sup>(1)</sup> remains a top priority

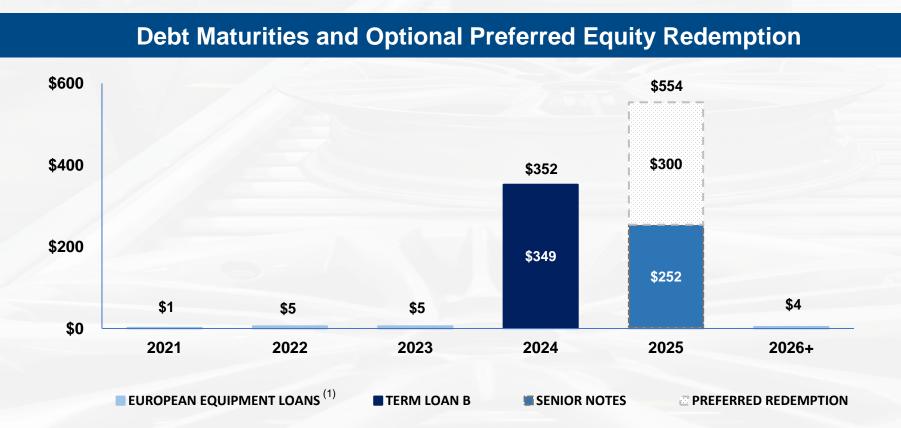
### Continued focus on reducing Net Debt<sup>(1)</sup>

## Debt Maturity Profile as of September 30, 2021



### No Significant Near-Term Maturities of Funded Debt

(\$ in millions)



Note: Not included are undrawn committed revolving credit facilities of \$202.1M and capital leases

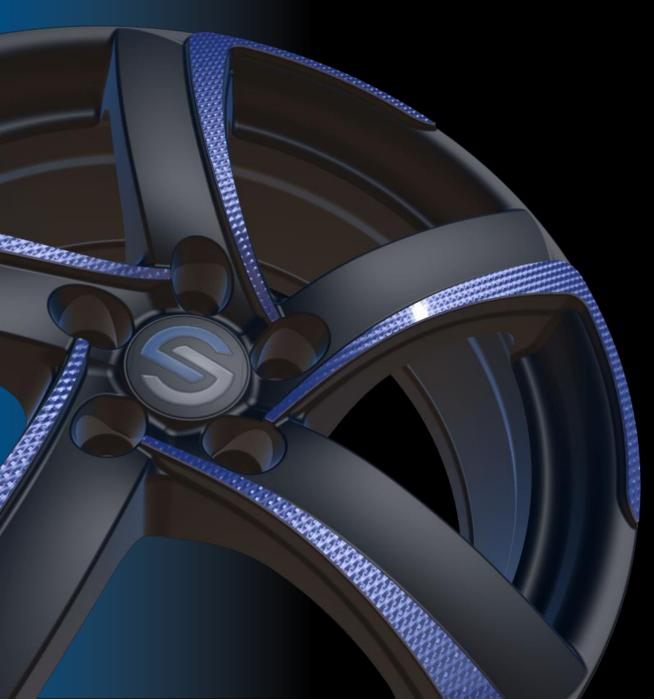
## Full Year 2021 Financial Outlook



Metric	FY 2020 Actuals	2021 Outlook (8/4)	2021 Outlook (11/3)	Commentary
Unit Volume	15.2M	16.9M - 17.7M	15.6M - 16.0M	Unit volume reflects disappointing YoY industry
Net Sales	\$1.1B	\$1.30B - \$1.37B	\$1.33B – \$1.36B	production recovery; nevertheless, expect single-digit growth for Superior
Value-Added Sales <sup>(1)</sup>	\$648M	\$740M - \$780M	\$725M - \$740M	<ul> <li>Net Sales up due to increased aluminum prices</li> <li>Value-Added Sales benefitting from strong mix</li> </ul>
Adjusted EBITDA <sup>(1)</sup>	\$129M	\$160M - \$180M	\$160M - \$165M	<ul> <li>Premium mix and disciplined response to lower vehicle production protecting margins</li> <li>OEM production schedule instability causing manufacturing inefficiencies</li> </ul>
Cash Flow from Operations	\$150M	\$110M - \$130M	\$25M - \$55M	<ul> <li>Ongoing emphasis on cash flow generation, but negatively impacted by increased working capital due to rising aluminum and OEM order volatility</li> </ul>
Capital Expenditures	\$45M	~ \$75M	~ \$75M	<ul> <li>Some carryover from 2020</li> <li>Strategic investments in finishing capabilities</li> <li>Includes capex for flood repair</li> </ul>

Narrowing Adjusted EBITDA guidance, protecting margins

<sup>(1)</sup> Value-Added Sales and Adjusted EBITDA are non-GAAP financial measures; see page 2 for definitions and the appendix for reconciliations to the most comparable GAAP measures



# Appendix





(\$ in millions, except earnings per share, and units in thousands)

		Three M	onths		Nine Months						
	30	2 2021	3Q	2020	YT	D 2021	YTD 2020		YT	D 2019	
	A	ctual	A	Actual		Actual		Actual		Actual	
Unit Shipments (000s)		3,500		4,362		12,193		10,737		14,780	
Net Sales	\$	310.8	\$	317.1	\$	1,016.4	\$	763.1	\$	1,062.2	
Value-Added Sales (1)		162.2		192.5		564.9		446.8		581.9	
Gross Profit		18.1		32.0		93.8		32.3		89.2	
SG&A Expenses		10.8		12.7		45.2		36.5		46.7	
Impairment of Goodwill and Indefinite-Lived Intangibles		-		-		-		193.6			
Income (Loss) from Operations	\$	7.4	\$	19.2	\$	48.6	\$	(197.9)	\$	42.4	
Interest Expense, net		(10.6)		(10.4)		(31.4)		(34.4)		(35.5)	
Other (Expense) Income, net		(2.1)		(1.6)		(6.0)		(0.9)		3.4	
(Loss) Income Before Income Taxes	\$	(5.3)	\$	7.2	\$	11.2	\$	(233.3)	\$	10.3	
Income Tax (Provision) Benefit		(1.8)		3.9		(3.6)		11.1		(7.7)	
Net (Loss) Income	\$	(7.2)	\$	11.1	\$	7.6	\$	(222.2)	\$	2.6	
Diluted (Loss) Earnings Per Share	\$	(0.61)	\$	0.12	\$	(0.69)	\$	(9.66)	\$	(0.84)	
Adjusted EBITDA (1)	\$	29.8	\$	46.7	\$	129.3	\$	82.6	\$	131.3	
% of Value-Added Sales	Ŧ	18.4%	Ŧ	24.3%	Ŧ	22.9%	Ŧ	18.5%	Ŧ	22.6%	

## **Balance Sheet**



(\$ in millions)

ASSETS	9/30/2021		12	12/31/2020	
Cash & Short Term Investments	\$	76.1	\$	152.4	
Accounts Receivable, net	÷	94.2	Ψ	49.0	
Inventories, net		215.0		155.0	
Income Taxes Receivable		4.7		5.0	
Other Current Assets		32.5		22.3	
Total Current Assets	\$	422.5	\$	383.7	
Property, Plant & Equipment, net		501.8		522.1	
Deferred Income Taxes, net		28.0		30.9	
Goodwill		-			
Intangibles		85.2		110.8	
Other Assets		54.8		61.9	
Total Assets	\$	1,092.3	\$	1,109.3	
LIABILITIES & EQUITY					
Accounts Payable	\$	162.9	\$	151.8	
Current Portion of Long-term Debt		6.3		6.1	
Accrued Expenses		76.6		71.1	
Income Taxes Payable		1.4		2.1	
Total Current Liabilities	\$	247.2	\$	231.1	
Long-term Debt (Less Current Portion)		609.4		625.5	
Non-Current Liabilities		89.4		93.1	
Redeemable Preferred Shares		194.6		179.4	
European Noncontrolling Redeemable Equity		1.6		1.7	
Total Shareholders' Deficit	\$	(49.9)	\$	(21.5)	
Total Liabilities & Deficit	\$	1,092.3	\$	1,109.3	

## Statement of Cash Flow



		Three I	<b>Nonth</b>	5	Nine Months				
	30	Q 2021	3	Q 2020	YTD 2021		YT	D 2020	
Net (Loss) Income	\$	(7.2)	\$	11.1	\$	7.6	\$	(222.2)	
Depreciation and Amortization		24.5		24.8		75.4		73.1	
Income tax, Non-cash Changes		(1.3)		(5.4)		(4.2)		(19.4)	
Impairments of Goodwill and Indefinite-Lived Intangibles		-		-		-		193.6	
Stock-based Compensation		2.5		0.5		6.8		0.7	
Amortization of Debt Issuance Costs		0.5		0.9		3.2		3.1	
Other Non-cash items		(6.8)		1.0		(10.7)		(1.5)	
Changes in Operating Assets and Liabilities:		100							
Accounts Receivable		(10.7)		(13.9)		(47.9)		(4.1)	
Inventories		(20.4)		12.2		(66.5)		29.3	
Other Assets and Liabilities		(1.4)		10.3		14.5		11.5	
Accounts Payable		(27.2)		58.7		7.2		27.4	
Income Taxes		0.9		(0.6)		(0.1)		0.7	
Cash Flow (Used In) Provided By Operating Activities	\$	(46.5)	\$	99.6	\$	(14.6)	\$	92.5	
Capital Expenditures		(27.0)		(10.8)		(47.6)		(33.6)	
Proceeds from Sale of Property, Plant and Equipment		6.6		0.9		6.6		0.9	
Net Cash Used In Investing Activities	\$	(20.4)	\$	(10.0)	\$	(41.0)	\$	(32.7)	
Proceeds from the Issuance of Long-term Debt		- 11				1.7		11.7	
Debt Repayment		(1.4)		(0.8)		(3.6)		(24.9)	
Proceeds from Borrowings on Revolving Credit Facility		-		100.0		-		313.8	
Repayments of Borrowings on Revolving Credit Facility				(209.9)		-		(316.9)	
Cash Dividends		(3.4)		(3.4)		(10.1)		(10.2)	
Financing Costs Paid and Other		-		-		(4.3)		(5.0)	
Payments Related to Tax Withholdings for Stock-Based Compensation		(0.1)		-		(1.5)		-	
Finance Lease Payments		(0.4)		(0.2)		(1.0)		(0.7)	
Cash Flow Used In Financing Activities	\$	(5.4)	\$	(114.4)	\$	(18.9)	\$	(32.1)	
Effect of Exchange Rate on Cash		(0.7)		5.0		(1.9)	_	5.5	
Net Change in Cash	\$	(73.1)	\$	(19.6)	\$	(76.3)	\$	33.2	
Cash - Beginning		149.2		130.7		152.4		77.9	
Cash - Ending	\$	76.1	\$	111.1	\$	76.1	\$	111.1	

(\$ in millions)

## Earnings per Share Calculation



(\$ and shares in millions, except earnings per share)

	Three Months			Nine M	lonths			
Basic EPS Calculation <sup>(1)</sup>	S Calculation <sup>(1)</sup>		3Q 2020		YTD 2021		YTD 2020	
Net (Loss) Income	\$	(7.2)	\$	11.1	\$	7.6	\$	(222.2)
Less: Accretion of Preferred Stock		(5.2)		(4.6)		(15.2)		(13.6)
Less: Redeemable Preferred Stock Dividends		(3.4)		(3.4)		(10.1)		(10.2)
Less: European Noncontrolling Redeemable Equity Dividends		(0.1)		(0.1)		(0.1)		(0.1)
Numerator	\$	(15.9)	\$	3.0	\$	(17.8)	\$	(246.1)
Denominator: Weighted Avg. Shares Outstanding		26.1		25.6		25.9		25.5
Basic (Loss) Earnings Per Share	\$	(0.61)	\$	0.12	\$	(0.69)	\$	(9.66)
Diluted EPS Calculation <sup>(1)</sup>								
Net (Loss) Income	\$	(7.2)	\$	11.1	\$	7.6	\$	(222.2)
Less: Accretion of Preferred Stock		(5.2)		(4.6)		(15.2)		(13.6)
Less: Redeemable Preferred Stock Dividends		(3.4)		(3.4)		(10.1)		(10.2)
Less: European Noncontrolling Redeemable Equity Dividends		(0.1)		(0.1)		(0.1)		(0.1)
Numerator	\$	(15.9)	\$	3.0	\$	(17.8)	\$	(246.1)
Weighted Avg. Shares Outstanding-Basic		26.1		25.6		25.9		25.5
Dilutive Stock Options and Restricted Stock Units		_		0.1				_
Denominator: Weighted Avg. Shares Outstanding		26.1		25.7	_	25.9		25.5
Diluted (Loss) Earnings Per Share	\$	(0.61)	\$	0.12	\$	(0.69)	\$	(9.66)

<sup>(1)</sup> Basic earnings per share is computed by dividing net income (loss), 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 September 30, 2021 and 2020

## **Reconciliation of Non-GAAP Financial Measures**



(\$ in millions, except per wheel, and units in thousands)

Value-Added Sales; Value-Added Sales Adjusted for FX; and							
Content per Wheel	Three	Months	Nine Months				
	3Q 2021	3Q 2020	YTD 2021	YTD 2020			
Net Sales Less: Aluminum Value and Outside Service Provider Costs	\$ 310.8 (148.6)	\$ 317.1 (124.6)	\$ 1,016.4 (451.5)	\$ 763.1 (316.2)			
Value-Added Sales Impact of FX on Value-Added Sales	\$ 162.2 (0.8)	\$ 192.5	\$    564.9 (18.9)	\$    446.8 -			
Value-Added Sales Adjusted for FX	\$ 161.4	\$ 192.5	\$ 546.0	\$ 446.8			
Wheels Shipped	3,500	4,362	12,193	10,737			
Content per Wheel	\$ 46.12	\$ 44.13	\$ 44.78	\$ 41.61			

Adjusted EBITDA		Three M	Nonth	Nine Months				
	30	3Q 2021		2020	YTD 2021		YTD 2020	
Net (Loss) Income	\$	(7.2)	\$	11.1	\$	7.6	\$	(222.2)
Adjusting Items:								
- Interest Expense, net		10.6		10.4		31.4		34.4
- Income Tax Provision (Benefit)		1.8		(3.9)		3.6		(11.1)
- Depreciation		18.0		18.3		55.5		54.4
- Amortization		6.5		6.5		19.9		18.8
- Acquisition, Integration, and Other Related Cost		(0.5)		3.8		9.9		13.7
- Factoring Fees		0.5		0.4		1.5		0.8
- Impairment of Goodwill and Indefinite-Lived Intangibles		-		-		-		193.6
	\$	36.9	\$	35.5	\$	121.8	\$	304.6
Adjusted EBITDA	\$	29.8	\$	46.7	\$	129.3	\$	82.6

## Reconciliation of Non-GAAP Financial Measures (continued)



(\$ in millions)

Free Cash Flow	Three Months					Nine Months			
	30	ຊ 2021	30	Q 2020	ΥT	D 2021	YT	D 2020	
Cash Flow (Used In) Provided By Operating Activities	\$	(46.5)	\$	99.6	\$	(14.6)	\$	92.5	
Net Cash Used In Investing Activities		(20.4)		(10.0)		(41.0)		(32.7)	
Less: Cash Payments for Non-debt Financing Activities		(3.5)		(3.4)		(11.7)		(15.2)	
Free Cash Flow	\$	(70.4)	\$	86.2	\$	(67.3)	\$	44.6	

Outlook for Full Year 2021 Value-Added Sales	Outlook	Range
Net Sales Outlook	\$ 1,330.0	\$ 1,360.0
Less: Aluminum Value and Outside Service Provider Costs	(605.0)	(620.0)
Value-Added Sales Outlook	\$ 725.0	\$ 740.0

### Net Debt

	9/30/2021	12/31/2020
Long Term Debt (Less Current Portion) <sup>(1)</sup>	\$ 617.9	\$ 637.1
Short Term Debt	6.3	6.1
Total Debt <sup>(1)</sup>	624.2	643.2
Less: Cash and Cash Equivalents	(76.1)	(152.4)
Net Debt	\$ 548.1	\$ 490.8
<sup>(1)</sup> Excluding debt issuance cost		