



# Third Quarter 2022 Earnings Conference Call



November 3, 2022



## 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,” “expected,” “seeks to,” “anticipates,” “plans,” “believes,” “estimates,” “foresee,” “intends,” “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 2022 outlook included herein and the impact of COVID-19, supply chain disruptions, increased energy costs, shortages of semiconductor chips, as well as the Ukraine Conflict on our future growth and earnings.

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 non-GAAP measures. These non-GAAP financial measures are defined and reconciled to the most comparable GAAP financial measures in the Appendix to this presentation.





## **Introduction**

Joanne Finnorn

*Senior Vice President, Investor Relations,  
Sustainability and Corporate Secretary*

## **Business Update**

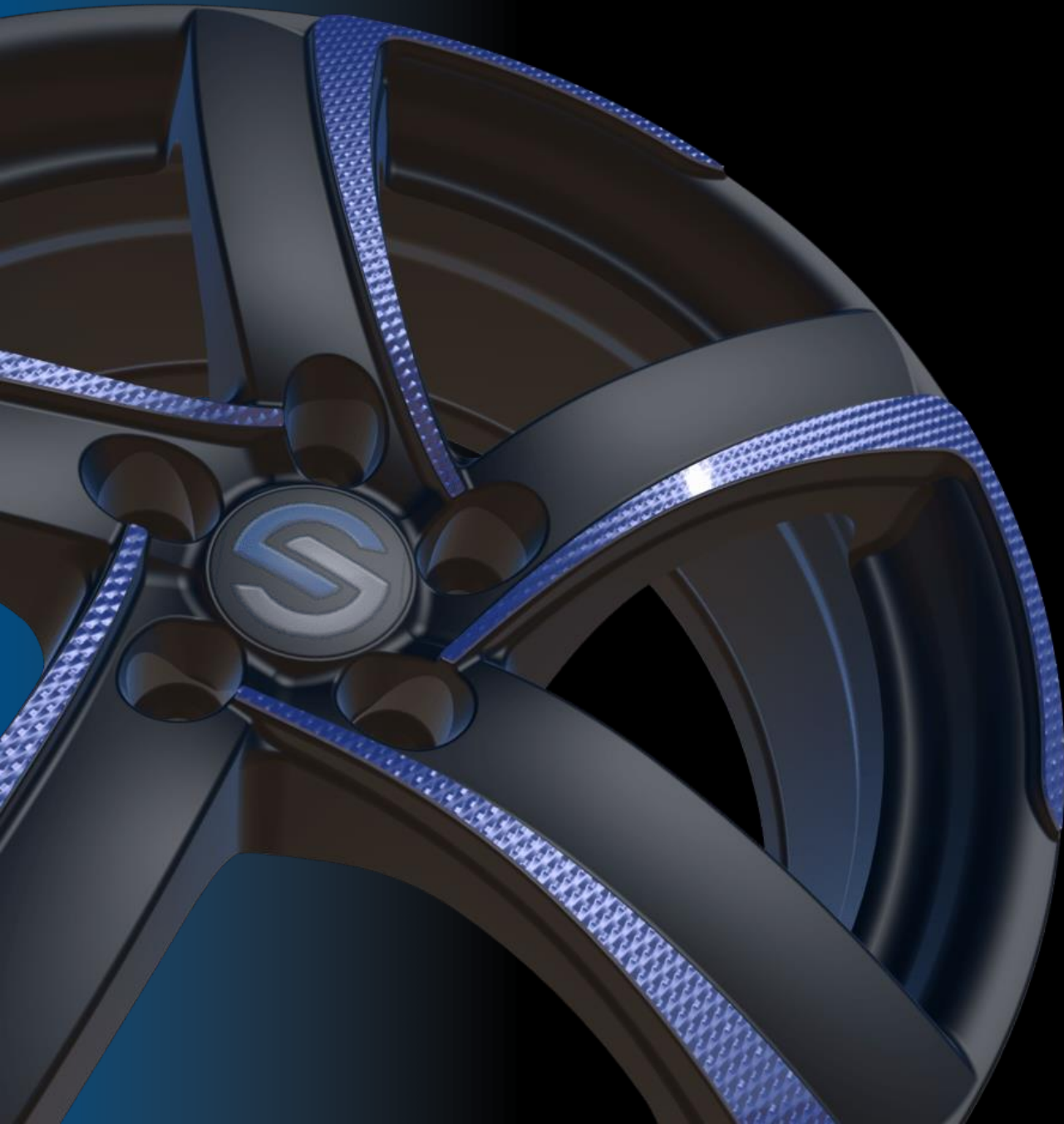
Majdi Abulaban

*President and Chief Executive Officer*

## **Financial Review**

Tim Trenary

*Executive Vice President and Chief Financial Officer*



# Business Update



# Financial and Operational Highlights

## *Ongoing Operational Execution Driving Profitability*



Q3 2022

### UNIT SHIPMENTS

 **3.8M** Up 8%  
year-over-year

### NET SALES

 **\$406M** Up 31%  
year-over-year

### VALUE-ADDED SALES ADJUSTED FOR FX<sup>(1)</sup>

 **\$192M** Up 19%  
year-over-year

### ADJUSTED EBITDA<sup>(1)</sup>

 **\$36M** Margin up 190 bps  
year-over-year

### CONTENT PER WHEEL<sup>(1)</sup>

 **\$50.92** Up 10%  
year-over-year

### Signs of improvements in industry production, macroeconomic headwinds remain

- Moderate industry recovery expected to continue through year-end and into 2023
- Supply chain disruptions and other headwinds, including increased energy costs, remain

### Operational discipline supporting continued growth and margin expansion

- Net sales increased 31% due to aluminum and other cost pass-throughs
- Adjusted EBITDA<sup>(1)</sup> margin as % of Value-Added Sales<sup>(1)</sup> of 20% in Q3 and 25% YTD
- Ongoing progress on customer recoveries for current and past periods
- Continued growth in Content per Wheel, up 10% YoY
- 19" and greater wheels approximately 53%<sup>(2)</sup> of OEM shipments

### Continued cash generation from operations

- Operating cash flow of \$17M in Q3 2022
- Liquidity remains strong at \$283M<sup>(3)</sup>
- Reduced Net Debt <sup>(1)</sup> to \$456M, reaching historic low

**Profitable growth enabled by strong operational focus**

<sup>(1)</sup> Value-Added Sales, Value-Added Sales Adjusted for FX, Content per Wheel, Adjusted EBITDA, and Net Debt are non-GAAP financial measures; see page 29 for definitions and the appendix for reconciliations to the most comparable GAAP measures

<sup>(2)</sup> Average observed during Q3 2022

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

# Driving Long-Term Growth over Market

## *Industry Production Improving Year-over-Year in NA and EU Regions*



North America Industry Results <sup>(1)</sup>	
NA	Q3 2021 to Q3 2022
Industry Units	24%
Key Customer Units	31%



Europe Industry Results <sup>(1)</sup>	
EU	Q3 2021 to Q3 2022
Industry Units	33%
Key Customer Units	37%

## *Superior Maintains Long-Term Above-Market Performance*

***Consistent Growth over Market<sup>(2)</sup> since  
January 2019***

**FY 2019 vs Q3 2022 LTM CAGR: 7%**

**Q3 YTD 2022 Growth over Market<sup>(2)</sup>: (3%)  
Q3 YTD 2021 Growth over Market<sup>(2)</sup>: 17%**

<sup>(1)</sup> Source: IHS Automotive as reported on October 14<sup>th</sup>, 2022; Europe based on Western and Central Europe

<sup>(2)</sup> Growth over Market ("GOM") is based on Value-Added Sales Adjusted for FX<sup>(2)</sup>, a non-GAAP financial measure (see page 29 for definition and the appendix for reconciliation to the most comparable GAAP measure), compared to North American and Western and Central European industry production as reported by IHS on October 14<sup>th</sup>, 2022



## Tailwinds

- + Ongoing demand for premium mix
- + Industry migration towards localized supply chains
- + Semiconductor shortage easing slightly
- + YoY increase in global light vehicle production

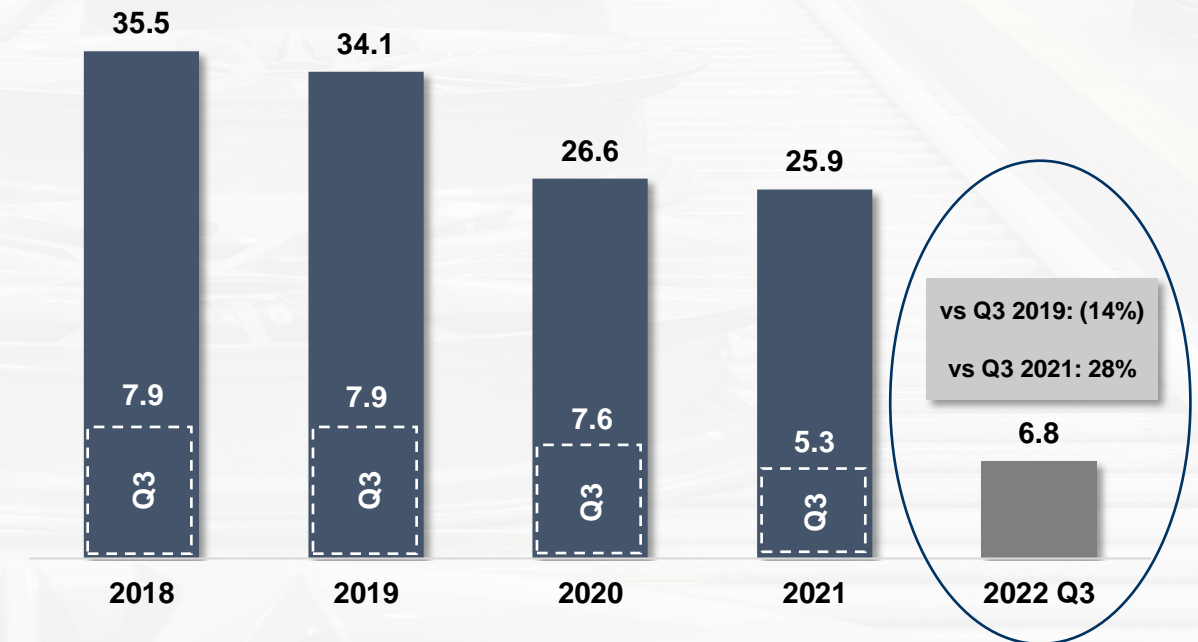


## Challenges

- Continued impact of inflationary environment with increases in raw material, energy, labor costs
- Global supply chain challenges remain, impacting automotive industry
- EU OEM customer production affected by Russia/Ukraine Conflict

## Global Industry Production Levels<sup>(1)</sup>

(in millions)



<sup>(1)</sup> IHS industry production forecasts dated October 14<sup>th</sup>, 2022 (Europe based on Western and Central Europe)

*Global production improved versus prior year, yet remains below pre-COVID levels*



# 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
- ★ “Local for Local” Footprint

Shareholder Value



<sup>(1)</sup> Adjusted EBITDA is a non-GAAP financial measure; see page 29 for definition and the appendix for reconciliation to the most comparable GAAP measure



# Enabling Content per Wheel Growth

## Driving Technologies in Our Portfolio

### Light Weighting



 **15% CAGR<sup>(1)</sup>**

### Premium Finishing



 **4% CAGR<sup>(1)</sup>**

### Electrification and Aerodynamics



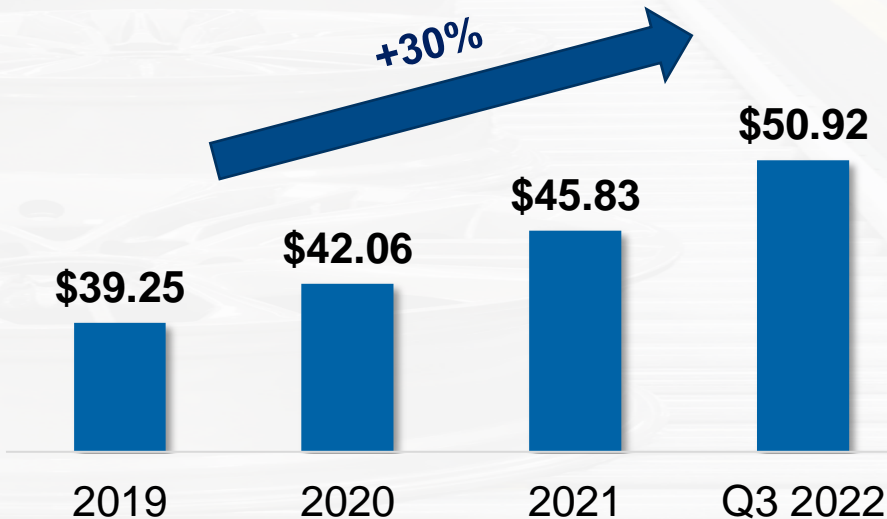
 **48% CAGR<sup>(1)</sup>**

### Large-Diameter Wheels 19" or Greater



 **11% CAGR<sup>(1)</sup>**

## Content per Wheel<sup>(2,3)</sup> Growth



- ✓ **Broad Portfolio and Innovative Technologies Continue to Drive Content Growth**
- ✓ **Reflects Secular Trends for Larger, Lighter Wheels with Premium Finishes**

<sup>(1)</sup> Represents Global OEM volume from FY 2019 to 2022 YTD  
<sup>(2)</sup> Value-Added Sales, Value-Added Adjusted for FX, Content per Wheel, and Adjusted EBITDA are non-GAAP financial measures; see page 29 for definitions and the appendix for reconciliations to the most comparable GAAP measures  
<sup>(3)</sup> Based on Value-Added Sales Adjusted for FX

## Select Q3 2022 Launch Highlights



Larger Wheel Size



Standard/Economy



Premium Finish



Light Weighting



Electrification



Aerodynamics



**Mercedes G-Class**



**Porsche Cayenne**



**Ford Mach-E  
(Black Edition)**



**Mercedes GLC**



**Volvo S60**

*Adoption of Superior's differentiated technologies supporting new launches*

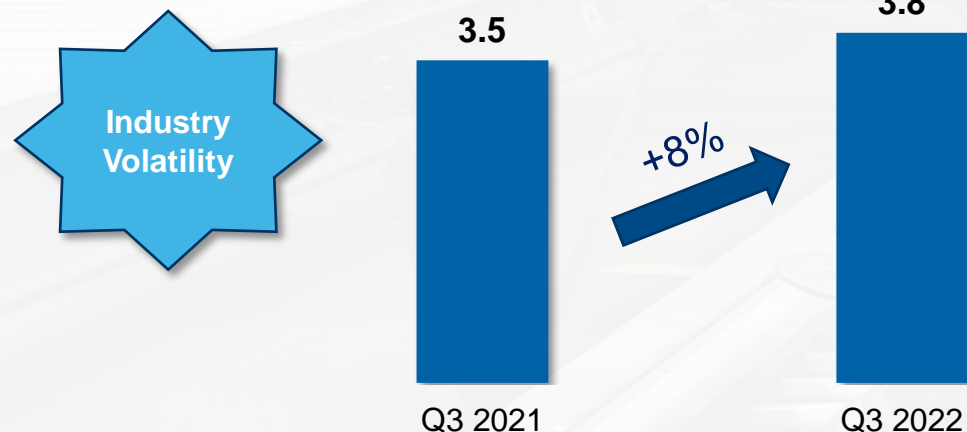
# Cost and Commercial Discipline, Innovative Portfolio (Q3 YoY)



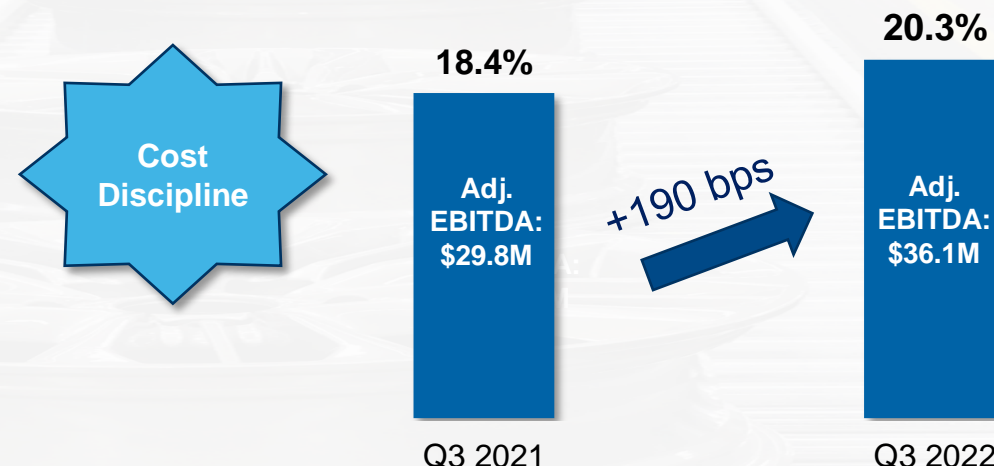
*Demonstrating commercial and cost discipline in a volatile production environment*

## Volume

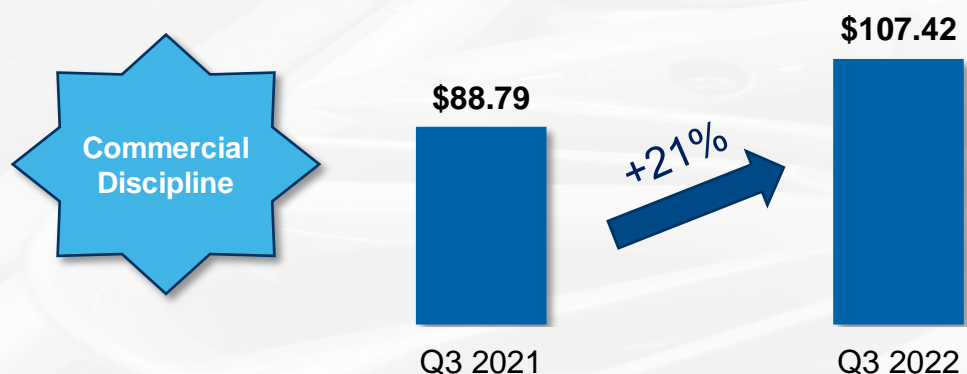
(in millions)



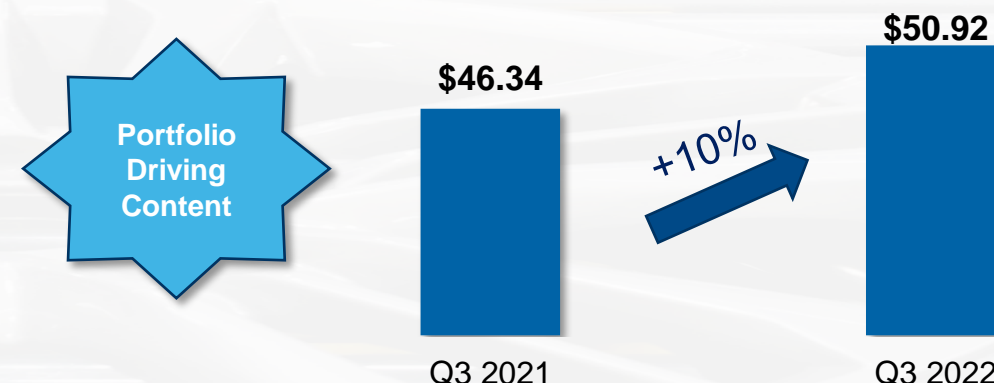
## Adj. EBITDA<sup>(1)</sup> Margin (% of VAS<sup>(1)</sup>)



## Net Sales per Wheel



## Content per Wheel<sup>(1,2)</sup>



<sup>(1)</sup> Value-Added Sales, Value-Added Adjusted for FX, Content per Wheel, and Adjusted EBITDA are non-GAAP financial measures; see page 29 for definitions and the appendix for reconciliations to the most comparable GAAP measures

<sup>(2)</sup> Based on Value-Added Sales Adjusted for FX



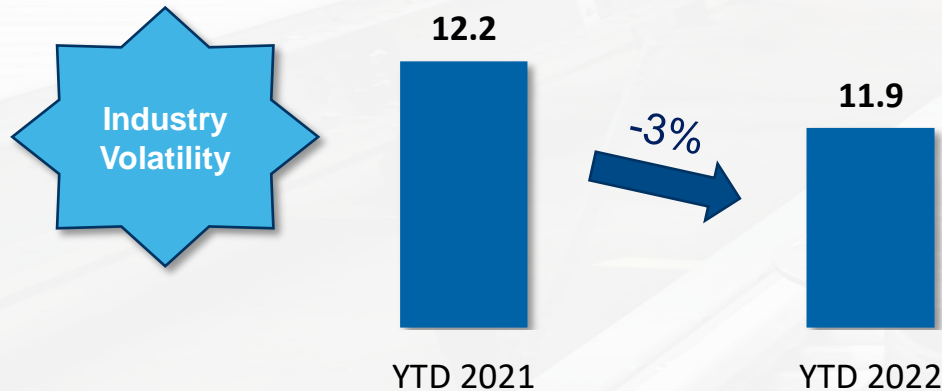
# Cost and Commercial Discipline, Innovative Portfolio (YTD)



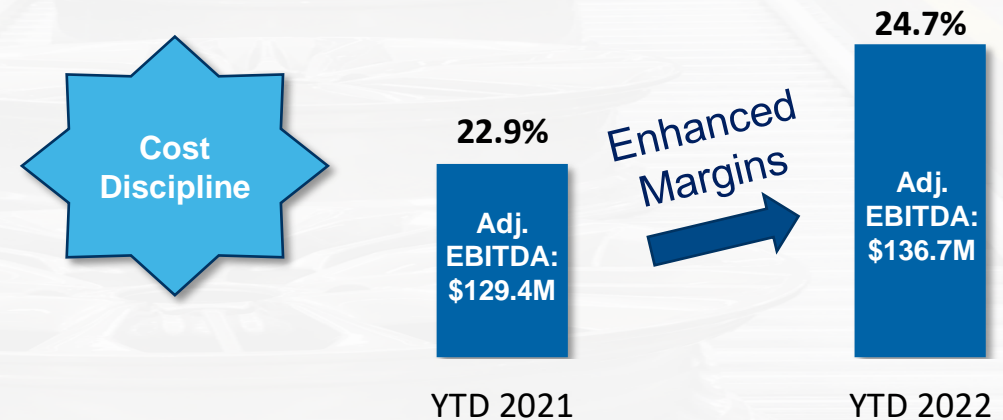
*Solid execution supporting performance throughout 2022*

## Volume

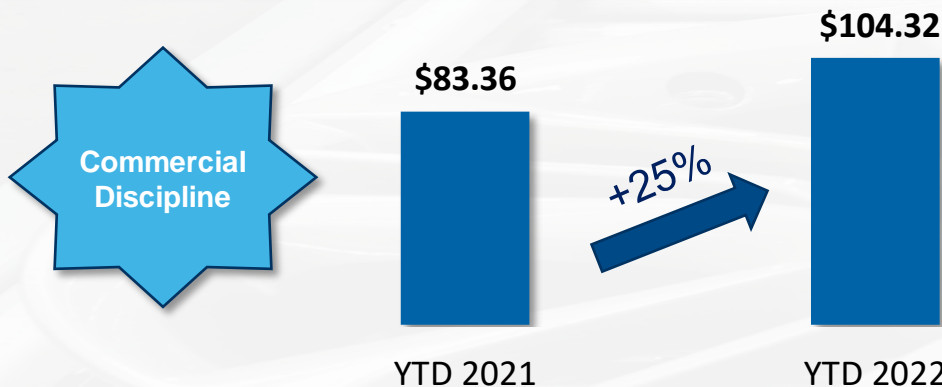
(in millions)



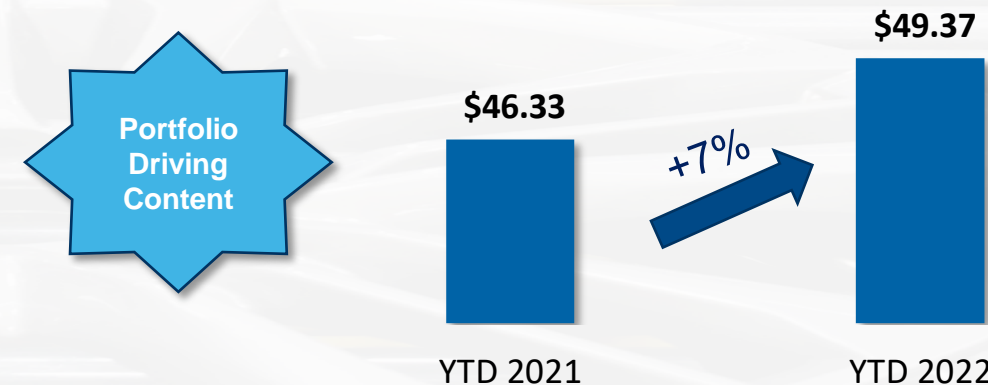
## Adj. EBITDA Margin<sup>(1)</sup> (% of VAS)



## Net Sales per Wheel



## Content per Wheel<sup>(1,2)</sup>



<sup>(1)</sup> Value-Added Sales, Value-Added Adjusted for FX, Content per Wheel, and Adjusted EBITDA are non-GAAP financial measures; see page 29 for definitions and the appendix for reconciliations to the most comparable GAAP measures

<sup>(2)</sup> Based on Value-Added Sales Adjusted for FX

## Superior's 2022 Outlook

1 *Modest industry improvement for remainder of 2022*

2 *Adjusted EBITDA<sup>(2)</sup> of \$165M - \$185M*

3 *Cash Flow from Operations of \$105M - \$150M*

## FY 2022 Industry Light Vehicle Production Outlook<sup>(1)</sup>

North America

vs. 2021 FY

Mid- to high-single digit percentage growth

Europe

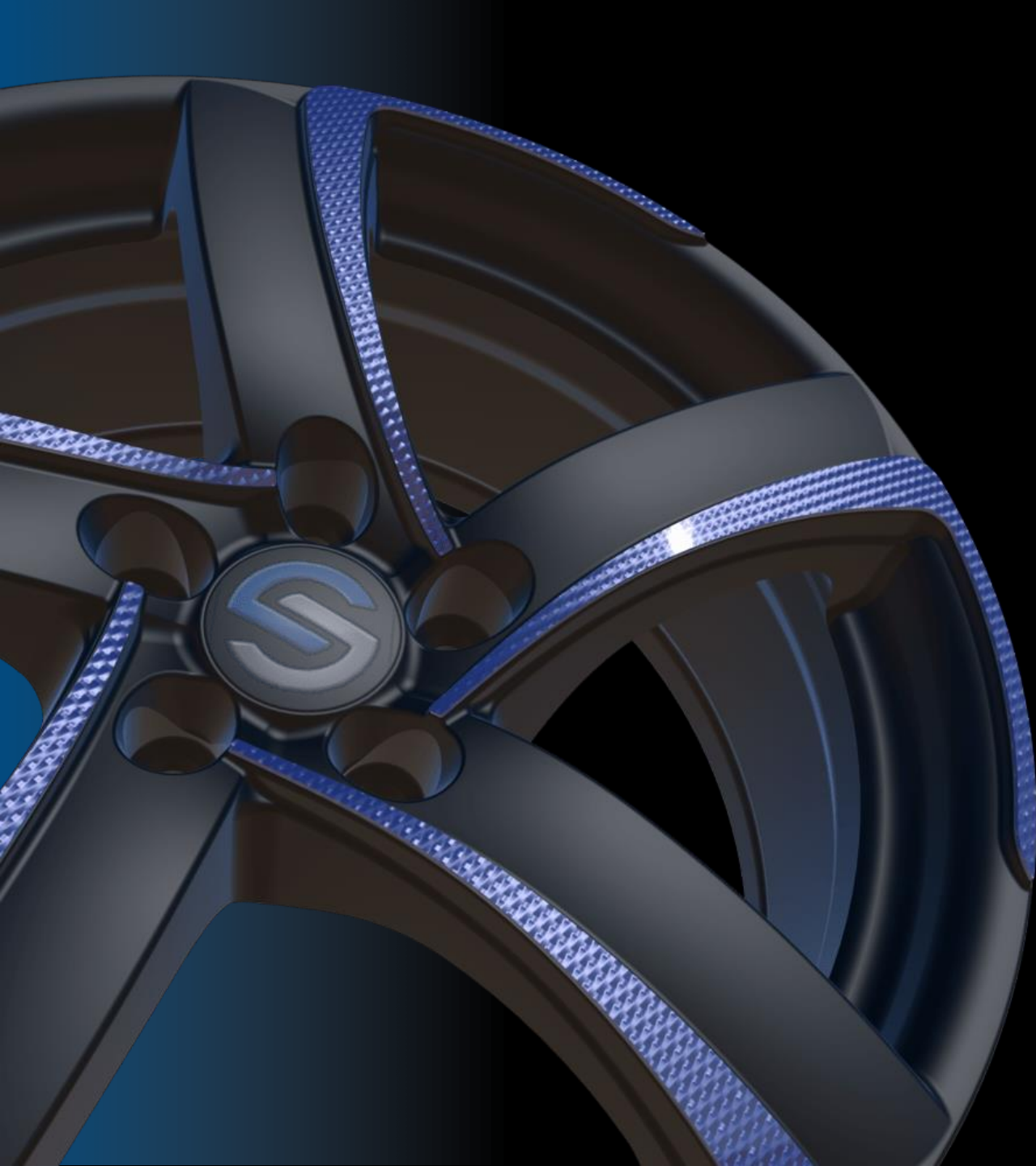
vs. 2021 FY

Flat- to mid-single-digit percentage growth

**Maintaining midpoint guidance for Adjusted EBITDA**  
***Continuing cautionary approach to FY 2022 production outlook***

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

<sup>(2)</sup> Adjusted EBITDA is a non-GAAP financial measure; Superior has not quantitatively reconciled from net income, the most comparable GAAP measure, to Adjusted EBITDA presented in the 2022 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.



# Financial Review



# Third Quarter Financial Summary



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

	Three Months		Nine Months	
	3Q 2022	3Q 2021	YTD 2022	YTD 2021
<b>Units</b>				
North America	2,206	1,970	6,704	6,527
Europe	1,571	1,530	5,161	5,666
<b>Global</b>	<b>3,777</b>	<b>3,500</b>	<b>11,865</b>	<b>12,193</b>
<b>Net Sales</b>				
North America	\$ 240.3	\$ 180.5	\$ 727.2	\$ 549.5
Europe	165.4	130.3	510.6	467.0
<b>Global</b>	<b>\$ 405.7</b>	<b>\$ 310.8</b>	<b>\$ 1,237.8</b>	<b>\$ 1,016.5</b>
<b>Value-Added Sales <sup>(1)</sup></b>				
North America	\$ 92.6	\$ 84.6	\$ 286.7	\$ 274.9
Europe	85.1	77.7	265.9	290.0
<b>Global</b>	<b>\$ 177.7</b>	<b>\$ 162.2</b>	<b>\$ 552.6</b>	<b>\$ 564.9</b>
<b>Net (Loss) Income</b>	<b>\$ (0.4)</b>	<b>\$ (7.2)</b>	<b>\$ 20.6</b>	<b>\$ 7.6</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$ 36.1</b>	<b>\$ 29.8</b>	<b>\$ 136.7</b>	<b>\$ 129.3</b>
<i>% of Value-Added Sales <sup>(1)</sup></i>	<i>20.3%</i>	<i>18.4%</i>	<i>24.7%</i>	<i>22.9%</i>
<b>Diluted Loss Per Share <sup>(2)</sup></b>	<b>\$ (0.35)</b>	<b>\$ (0.61)</b>	<b>\$ (0.25)</b>	<b>\$ (0.69)</b>

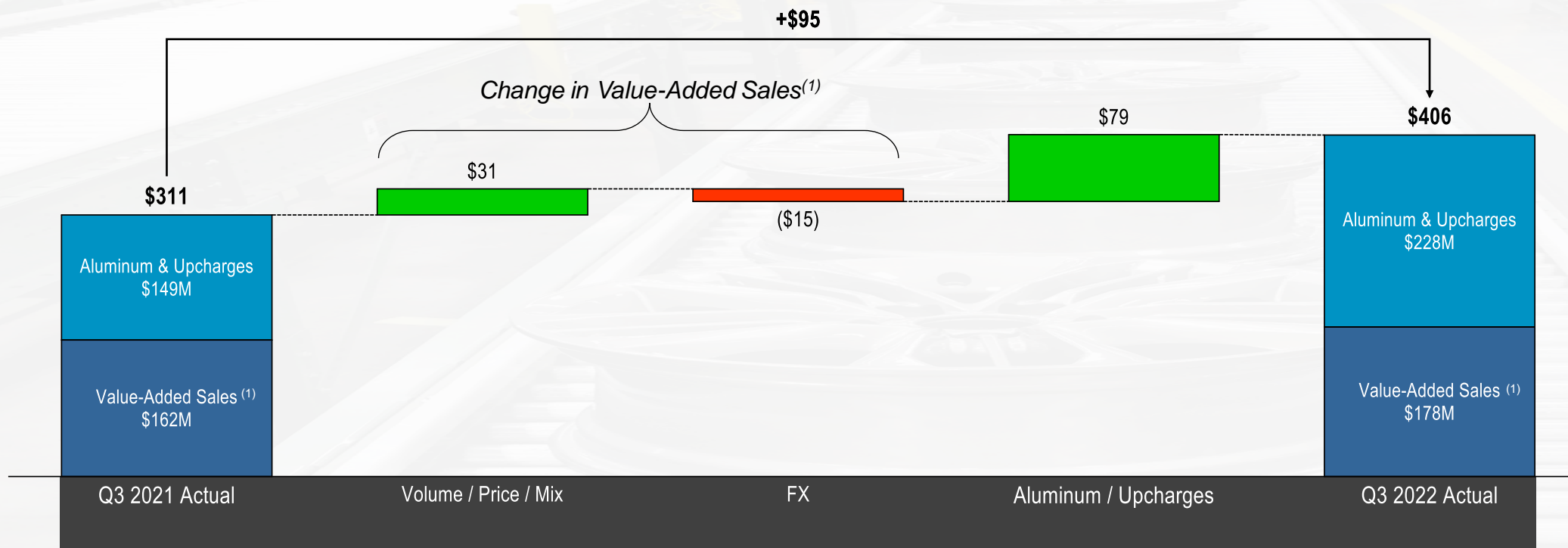
<sup>(1)</sup> Value-Added Sales and Adjusted EBITDA are non-GAAP financial measures; see page 29 for definitions and the appendix for reconciliations to the most comparable GAAP measures

<sup>(2)</sup> See reconciliation from net income to diluted EPS in the appendix of this presentation

# Third Quarter 2022 Year-over-Year Sales Bridge



(\$ and units in millions)



**Units**                      **3.5**

**3.8**

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

- Volume / Price / Mix: Higher wheel shipments, increased Content per Wheel
- FX impact: Euro depreciation

## Aluminum / Upcharges

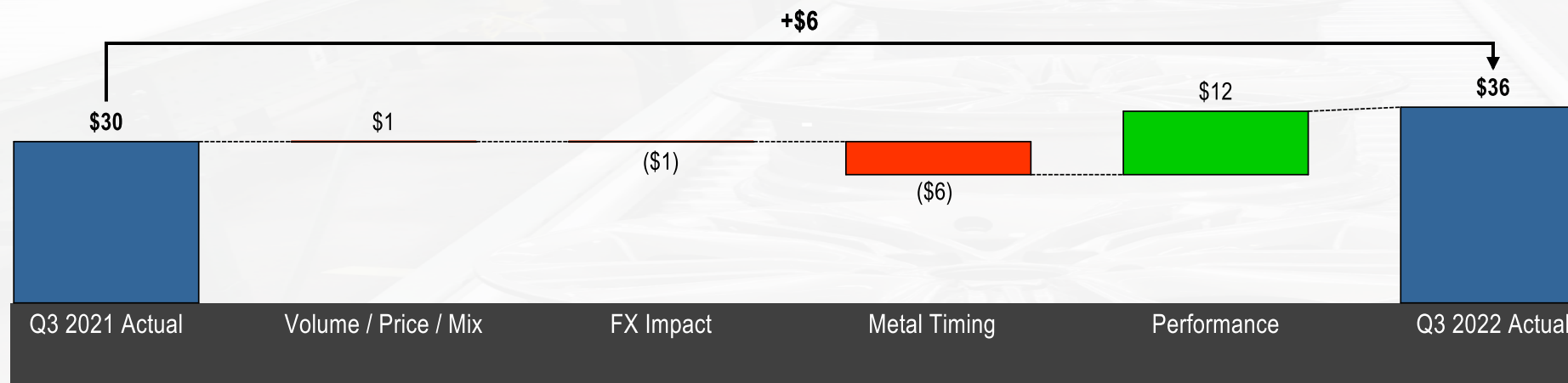
- Primarily higher aluminum pass through

<sup>(1)</sup> Value-Added Sales is a non-GAAP measure; see page 29 for definition and the appendix for reconciliation to the most comparable GAAP measure

# Third Quarter 2022 Year-over-Year Adjusted EBITDA Bridge



(\$ in millions)



Adjusted EBITDA<sup>(1)</sup>  
as % of Value-  
Added Sales<sup>(1)</sup>

18.4%

20.3%

- Metal timing: OEM aluminum pass through timing
- Performance: Manufacturing performance, customer recoveries, inflation and impact of OEM production schedule instability

<sup>(1)</sup> Value-Added Sales and Adjusted EBITDA are non-GAAP financial measures; see page 29 for definitions and the appendix for reconciliations to the most comparable GAAP measures



# Third Quarter 2022 Free Cash Flow



	Q3 2022	Q3 2021
<b>Cash Flow from Operating Activities</b>		
<ul style="list-style-type: none"><li>Higher earnings and improved working capital performance</li></ul>	\$17M	(\$46M)
<b>Cash Used by Investing Activities</b>		
<ul style="list-style-type: none"><li>Capital expenditure timing – still expecting ~\$75M in capital expenditures in FY 2022</li></ul>	(\$11M)	(\$20M)
<b>Cash Payments for Non-Debt Financing Activities</b>		
<ul style="list-style-type: none"><li>Primarily preferred dividends</li></ul>	(\$4M)	(\$4M)
<b>Free Cash Flow<sup>(1)</sup></b>		
	\$2M	(\$70M)

<sup>(1)</sup> Free Cash Flow is a non-GAAP financial measure; see page 29 for definition and the appendix for reconciliation to the most comparable GAAP measure

# Capital Structure as of September 30, 2022



## Capital Structure (in \$M)

<b>Total Cash</b>	<b>\$121.8</b>
U.S. \$107.5M Revolving Credit Facility	-
Europe €60M Revolving Credit Facility	-
Term Loan B	349.2
Europe Capex Loans	12.8
Finance Leases	2.4
<b>Total Senior Secured Debt</b>	<b>\$364.4</b>
Senior Unsecured Notes (€217M)	\$213.0
<b>Total Debt<sup>(1)</sup></b>	<b>\$577.4</b>
<b>Net Debt<sup>(2)</sup></b>	<b>\$455.6</b>
<b>Preferred Equity</b>	<b>\$216.8</b>
<b>Available Liquidity<sup>(3)</sup></b>	<b>\$283.0</b>

- Substantial liquidity
- No near-term funded debt maturities
- Net Debt<sup>(2)</sup> lowest since 2017
- Free Cash Flow<sup>(2)</sup> remains a top priority

**Continued focus on deleveraging  
Balance Sheet**

<sup>(1)</sup> Excluding Debt Issuance Cost

<sup>(2)</sup> Free Cash Flow and Net Debt are non-GAAP financial measures; see page 29 for definitions and the appendix for reconciliations to the most comparable GAAP measures

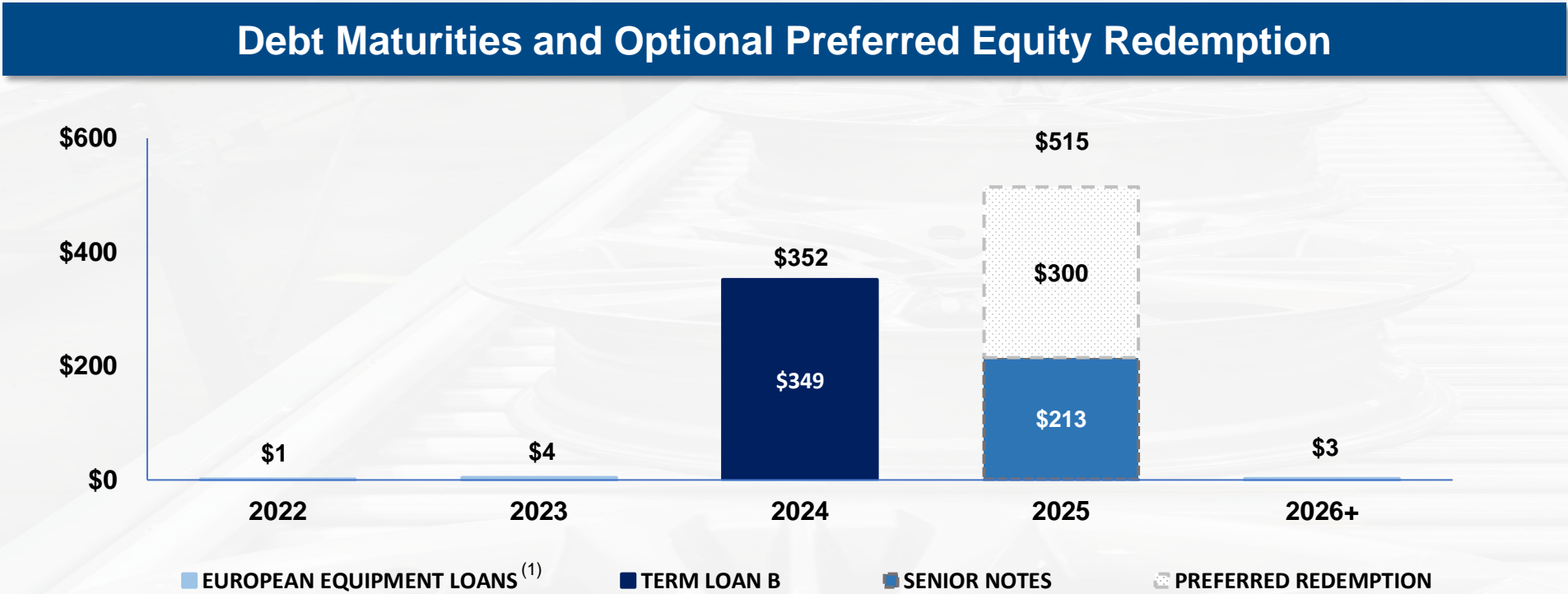
<sup>(3)</sup> Includes cash and availability on committed revolving credit facilities

# Debt Maturity Profile as of September 30, 2022



## No Significant Near-Term Maturities of Funded Debt

(\$ in millions)



Note: Not included are undrawn committed revolving credit facilities of \$161.2M and capital leases

<sup>(1)</sup> European equipment loans mature March 31, 2024, and September 30, 2027



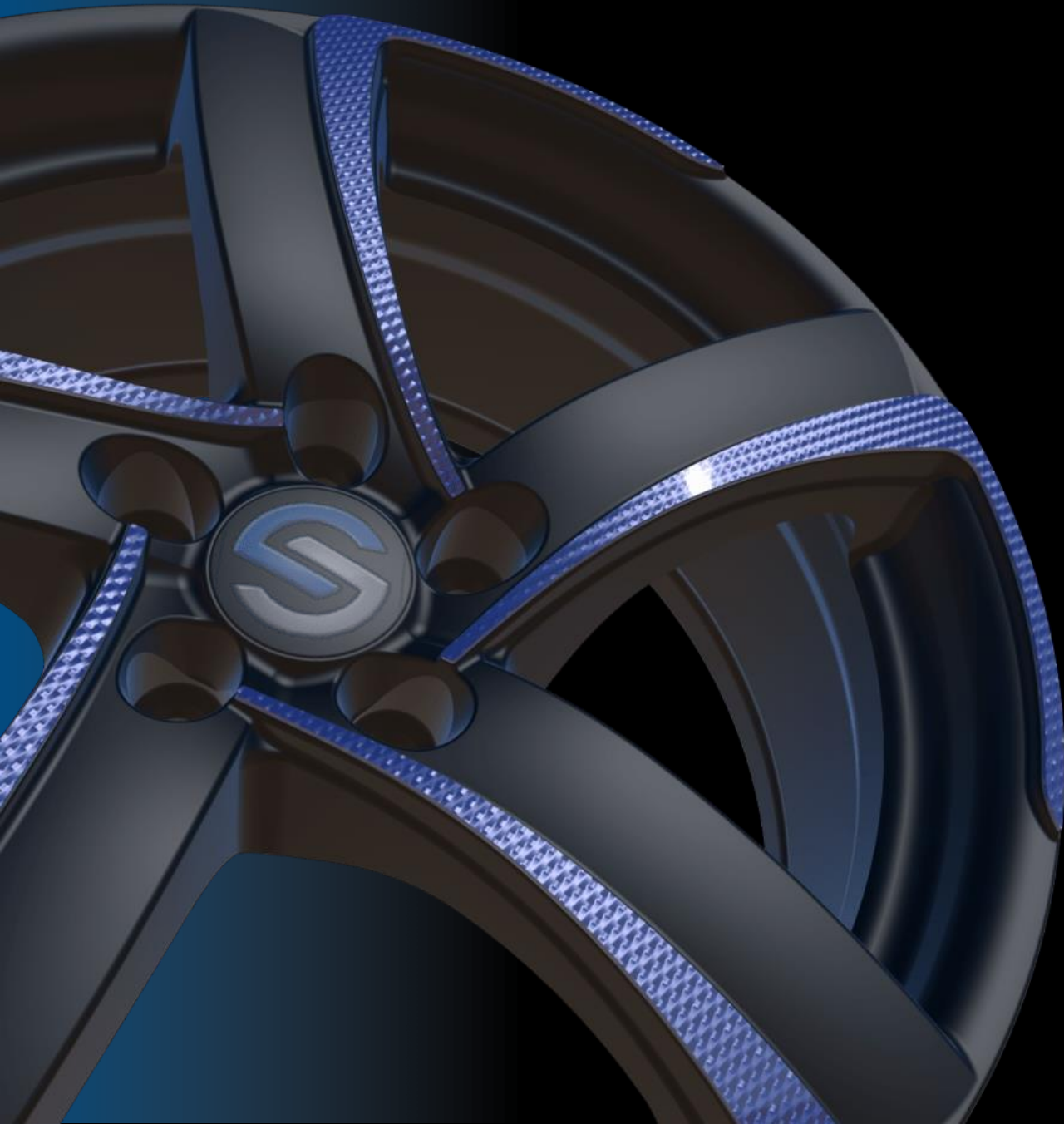
# Full Year 2022 Financial Outlook



## Confirming FY 2022 Guidance

Metric	Outlook	Commentary
Unit Volume	16.0M – 17.0M	<ul style="list-style-type: none"> <li>• Modest recovery in industry light vehicle production for remainder of 2022; continued inflation and supply chain challenges</li> <li>• Net Sales increase driven by aluminum and other cost pass throughs</li> <li>• Expecting continued impact of Euro depreciation</li> </ul>
Net Sales	\$1.58B – \$1.71B	
Value-Added Sales <sup>(1)</sup>	\$740M – \$800M	
Adjusted EBITDA <sup>(1)</sup>	\$165M – \$185M	<ul style="list-style-type: none"> <li>• Operational improvements and customer recoveries offsetting inflation; ongoing negotiations with customers to recover cost inflation</li> <li>• Expected impact from Ukraine Conflict is included</li> </ul>
Cash Flow from Operations	\$105M – \$150M	<ul style="list-style-type: none"> <li>• Continued emphasis on cash flow generation</li> <li>• Continued stabilization of aluminum prices</li> </ul>
Capital Expenditures	~\$75M	<ul style="list-style-type: none"> <li>• Some carryover from 2021</li> <li>• Strategic investments in finishing capabilities</li> </ul>

<sup>(1)</sup> Value-Added Sales and Adjusted EBITDA are non-GAAP financial measures; see page 29 for definitions and the appendix for reconciliations to the most comparable GAAP measures; Superior has not quantitatively reconciled from net income, the most comparable GAAP measure, to Adjusted EBITDA presented in the 2022 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.



# Appendix

# Income Statement



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

	Three Months		Nine Months	
	3Q 2022	3Q 2021	YTD 2022	YTD 2021
	Actual	Actual	Actual	Actual
Unit Shipments (000s)	3,777	3,500	11,865	12,193
Net Sales	\$ 405.7	\$ 310.8	\$ 1,237.8	\$ 1,016.4
Value-Added Sales Adjusted for Foreign Exchange <sup>(1)</sup>	192.3	162.2	585.7	564.9
Gross Profit	28.4	18.1	111.6	93.8
SG&A Expenses	16.1	10.8	49.8	45.2
Income from Operations	\$ 12.3	\$ 7.4	\$ 61.8	\$ 48.6
Interest Expense, net	(10.4)	(10.6)	(30.7)	(31.4)
Other (Expense) Income, net	(0.2)	(2.1)	0.4	(6.0)
Income (Loss) Before Income Taxes	\$ 1.6	\$ (5.3)	\$ 31.5	\$ 11.2
Income Tax Provision	(2.0)	(1.8)	(10.9)	(3.6)
Net (Loss) Income	<u>\$ (0.4)</u>	<u>\$ (7.2)</u>	<u>\$ 20.6</u>	<u>\$ 7.6</u>
Diluted Loss Per Share	\$ (0.35)	\$ (0.61)	\$ (0.25)	\$ (0.69)
Value-Added Sales <sup>(1)</sup>	\$ 177.7	\$ 162.2	\$ 552.6	\$ 564.9
Adjusted EBITDA <sup>(1)</sup>	\$ 36.1	\$ 29.8	\$ 136.7	\$ 129.3
% of Value-Added Sales	20.3%	18.4%	24.7%	22.9%

Unaudited

<sup>(1)</sup> Value-Added Sales and Adjusted EBITDA are non-GAAP financial measures; see page 29 for definitions and the appendix for reconciliations to the most comparable GAAP measures



# Balance Sheet



(\$ in millions)

<b>ASSETS</b>	<b>9/30/2022</b>	<b>12/31/2021</b>
Cash & Short Term Investments	\$ 121.8	\$ 113.5
Accounts Receivable, net	135.0	83.4
Inventories, net	194.3	172.1
Income Taxes Receivable	4.5	5.0
Other Current Assets	32.9	30.3
<b>Total Current Assets</b>	<b>\$ 488.6</b>	<b>\$ 404.3</b>
Property, Plant & Equipment, net	450.9	494.4
Deferred Income Taxes, net	25.9	27.7
Intangibles	51.6	76.9
Other Assets	55.9	50.9
<b>Total Assets</b>	<b>\$ 1,072.8</b>	<b>\$ 1,054.1</b>
<b>LIABILITIES &amp; EQUITY</b>		
Accounts Payable	\$ 201.7	\$ 153.2
Current Portion of Long-term Debt	5.3	6.1
Accrued Expenses	77.7	71.5
Income Taxes Payable	1.6	1.1
<b>Total Current Liabilities</b>	<b>\$ 286.3</b>	<b>\$ 231.9</b>
Long-term Debt (Less Current Portion)	566.4	602.4
Non-Current Liabilities	84.0	89.3
Redeemable Preferred Shares	216.8	199.9
European Noncontrolling Redeemable Equity	1.0	1.1
<b>Total Shareholders' Deficit</b>	<b>\$ (81.6)</b>	<b>\$ (70.4)</b>
<b>Total Liabilities &amp; Deficit</b>	<b>\$ 1,072.8</b>	<b>\$ 1,054.1</b>

Unaudited

# Statement of Cash Flow



(\$ in millions)

Unaudited

	Three Months		Nine Months	
	3Q 2022	3Q 2021	YTD 2022	YTD 2021
Net (Loss) Income	\$ (0.4)	\$ (7.2)	\$ 20.6	\$ 7.6
Depreciation and Amortization	21.9	24.5	69.1	75.4
Income tax, Non-cash Changes	(0.5)	(1.3)	3.6	(4.2)
Stock-based Compensation	1.9	2.5	6.5	6.8
Amortization of Debt Issuance Costs	1.2	0.5	3.7	3.2
Other Non-cash Items	(0.7)	(6.8)	(1.7)	(10.7)
Changes in Operating Assets and Liabilities:				
Accounts Receivable	(21.9)	(10.7)	(57.4)	(47.9)
Inventories	1.7	(20.4)	(37.1)	(66.5)
Other Assets and Liabilities	3.1	(1.4)	1.9	14.5
Accounts Payable	10.4	(27.2)	64.1	7.2
Income Taxes	0.5	0.9	1.1	(0.1)
<b>Cash Flow Provided By (Used In) Operating Activities</b>	<b>\$ 17.2</b>	<b>\$ (46.5)</b>	<b>\$ 74.4</b>	<b>\$ (14.6)</b>
Capital Expenditures	(11.4)	(27.0)	(45.7)	(47.6)
Proceeds from Sale of Property, Plant and Equipment	-	6.6	0.2	6.6
<b>Net Cash Used In Investing Activities</b>	<b>\$ (11.4)</b>	<b>\$ (20.4)</b>	<b>\$ (45.6)</b>	<b>\$ (41.0)</b>
Proceeds from the Issuance of Long-term Debt	-	-	-	1.7
Debt Repayment	(1.1)	(1.4)	(3.6)	(3.6)
Cash Dividends	(3.5)	(3.4)	(10.2)	(10.1)
Financing Costs Paid and Other	-	-	-	(4.3)
Payments Related to Tax Withholdings for Stock-Based Compensation	-	(0.1)	(1.8)	(1.5)
Finance Lease Payments	(0.3)	(0.4)	(0.8)	(1.0)
<b>Cash Flow Used In Financing Activities</b>	<b>\$ (4.8)</b>	<b>\$ (5.4)</b>	<b>\$ (16.4)</b>	<b>\$ (18.9)</b>
Effect of Exchange Rate on Cash	(1.4)	(0.7)	(4.1)	(1.9)
<b>Net Change in Cash</b>	<b>\$ (0.4)</b>	<b>\$ (73.1)</b>	<b>\$ 8.4</b>	<b>\$ (76.3)</b>
<b>Cash - Beginning</b>	<b>122.3</b>	<b>149.2</b>	<b>113.5</b>	<b>152.4</b>
<b>Cash - Ending</b>	<b>\$ 121.8</b>	<b>\$ 76.1</b>	<b>\$ 121.8</b>	<b>\$ 76.1</b>

# Earnings per Share Calculation

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

	Three Months		Nine Months	
	3Q 2022	3Q 2021	YTD 2022	YTD 2021
<b>Basic EPS Calculation<sup>(1)</sup></b>				
Net (Loss) Income	\$ (0.4)	\$ (7.2)	\$ 20.6	\$ 7.6
Less: Accretion of Preferred Stock	(5.8)	(5.2)	(16.9)	(15.2)
Less: Redeemable Preferred Stock Dividends	(3.4)	(3.4)	(10.2)	(10.1)
Less: European Noncontrolling Redeemable Equity Dividends	-	(0.1)	-	(0.1)
<b>Numerator</b>	<b>\$ (9.6)</b>	<b>\$ (15.9)</b>	<b>\$ (6.5)</b>	<b>\$ (17.8)</b>
<b>Denominator:</b> Weighted Avg. Shares Outstanding	<b>27.0</b>	<b>26.1</b>	<b>26.8</b>	<b>25.9</b>
<b>Basic Loss Per Share</b>	<b>\$ (0.35)</b>	<b>\$ (0.61)</b>	<b>\$ (0.25)</b>	<b>\$ (0.69)</b>
<b>Diluted EPS Calculation<sup>(1)</sup></b>				
Net (Loss) Income	\$ (0.4)	\$ (7.2)	\$ 20.6	\$ 7.6
Less: Accretion of Preferred Stock	(5.8)	(5.2)	(16.9)	(15.2)
Less: Redeemable Preferred Stock Dividends	(3.4)	(3.4)	(10.2)	(10.1)
Less: European Noncontrolling Redeemable Equity Dividends	-	(0.1)	-	(0.1)
<b>Numerator</b>	<b>\$ (9.6)</b>	<b>\$ (15.9)</b>	<b>\$ (6.5)</b>	<b>\$ (17.8)</b>
Weighted Avg. Shares Outstanding-Basic	27.0	26.1	26.8	25.9
Dilutive Stock Options and Restricted Stock Units	-	-	-	-
<b>Denominator:</b> Weighted Avg. Shares Outstanding	<b>27.0</b>	<b>26.1</b>	<b>26.8</b>	<b>25.9</b>
<b>Diluted Loss Per Share</b>	<b>\$ (0.35)</b>	<b>\$ (0.61)</b>	<b>\$ (0.25)</b>	<b>\$ (0.69)</b>

Unaudited

(1) 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, 2022 and 2021.



# Reconciliation of Non-GAAP Financial Measures



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

## Value-Added Sales; Value-Added Sales Adjusted for Foreign Exchange; and Content per Wheel

### Net Sales

Less: Aluminum, Other Costs, and Outside Service Provider Costs

### Value-Added Sales

Currency Impact on Current Period Value-Added Sales

### Value-Added Sales Adjusted for Foreign Exchange

Wheels Shipped

### Content per Wheel

Three Months		Nine Months	
3Q 2022	3Q 2021	YTD 2022	YTD 2021
\$ 405.7	\$ 310.8	\$ 1,237.8	\$ 1,016.4
(228.0)	(148.6)	(685.2)	(451.5)
\$ 177.7	\$ 162.2	\$ 552.6	\$ 564.9
14.6	-	33.1	-
\$ 192.3	\$ 162.2	\$ 585.7	\$ 564.9
3,777		11,865	12,193
\$ 50.92	\$ 46.34	\$ 49.37	\$ 46.33

## Adjusted EBITDA

### Net (Loss) Income

### Adjusting Items:

- Interest Expense, net
- Income Tax Provision
- Depreciation
- Amortization
- Integration, Restructuring, and Other
- Factoring Fees

### Adjusted EBITDA

Three Months		Nine Months	
3Q 2022	3Q 2021	YTD 2022	YTD 2021
\$ (0.4)	\$ (7.2)	\$ 20.6	\$ 7.6
10.4	10.6	30.7	31.4
2.0	1.8	10.9	3.6
17.3	18.0	52.7	55.5
4.5	6.5	16.3	19.9
1.3	(0.5)	3.1	9.9
1.0	0.5	2.4	1.5
\$ 36.5	\$ 36.9	\$ 116.1	\$ 121.8
\$ 36.1	\$ 29.8	\$ 136.7	\$ 129.3

Unaudited

# Reconciliation of Non-GAAP Financial Measures (continued)



(\$ in millions)

## Free Cash Flow

**Cash Flow Provided By (Used In) Operating Activities**  
**Net Cash Used In Investing Activities**  
 Less: Cash Payments for Non-debt Financing Activities  
**Free Cash Flow**

Three Months		Nine Months	
3Q 2022	3Q 2021	YTD 2022	YTD 2021
\$ 17.2	\$ (46.5)	\$ 74.4	\$ (14.6)
(11.4)	(20.4)	(45.6)	(41.0)
(3.5)	(3.5)	(12.0)	(11.6)
<u>\$ 2.3</u>	<u>\$ (70.4)</u>	<u>\$ 16.8</u>	<u>\$ (67.2)</u>

## Outlook for Full Year 2022 Value-Added Sales

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

Outlook Range	
\$ 1,580.0	\$ 1,710.0
(840.0)	(910.0)
<u>\$ 740.0</u>	<u>\$ 800.0</u>

## Net Debt

**Long Term Debt (Less Current Portion) <sup>(1)</sup>**  
**Short Term Debt**  
**Total Debt <sup>(1)</sup>**  
 Less: Cash and Cash Equivalents  
**Net Debt**

9/30/2022	12/31/2021
\$ 572.1	\$ 610.2
5.3	6.1
577.4	616.3
(121.8)	(113.5)
<u>\$ 455.6</u>	<u>\$ 502.8</u>

<sup>(1)</sup> Excluding Debt Issuance Cost

Unaudited



## 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 long-lived 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, other costs, and services provided by outsourced service providers that are included in net sales. “Value-Added Sales Adjusted for FX,” which is also referred to as “Value-Added Sales Adjusted for Foreign Exchange,” 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 2022 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.