

Superior Reports First Quarter 2023 Financial Results
Delivered Value-Added Sales and Content per Wheel growth
Ongoing focus on commercial discipline and efficiencies to support free cash flow
First Quarter 2023 Financial Highlights:

- **Net Sales decreased 5% YoY to \$381M**
- **Value-Added Sales Adjusted for FX¹ increased 9% YoY to \$207M**
- **Net loss of \$4M; YoY decrease of \$14M**
- **Adjusted EBITDA¹ decreased 8% YoY to \$46M**
- **Cash Flow from Operations of \$39M; reduced Net Debt¹ to low of \$421M**
- **Content per Wheel¹ of \$53.67, up 16% YoY**

SOUTHFIELD, MICHIGAN – **May 4, 2023** – **Superior Industries International, Inc. (“Superior” or the “Company”)** (NYSE:SUP) today reported financial results for the first quarter ended March 31, 2023.

(\$ in millions and units in thousands)

	Three Months	
	1Q 2023	1Q 2022
Units		
North America	2,197	2,291
Europe	1,661	1,793
Global	3,858	4,084
Net Sales		
North America	\$ 211.6	\$ 227.2
Europe	169.3	173.3
Global	\$ 381.0	\$ 400.5
Value-Added Sales ⁽¹⁾		
North America	\$ 105.8	\$ 97.9
Europe	96.9	91.5
Global	\$ 202.7	\$ 189.4

“I’m pleased with our results in the first quarter as we continue to deliver on our value creation roadmap despite persistent headwinds, specifically our success in aligning our pricing to offset rising input costs and in delivering growth. We achieved solid growth in Value-Added Sales and Content per Wheel, notwithstanding a weak aftermarket in Europe. These results highlight the agility of our teams and the strength of our differentiated product portfolio,” commented Majdi Abulaban, President and Chief Executive Officer of Superior. “To mitigate enduring cost inflation and other operating challenges, we are continuing to collaborate with customers for price adjustments where appropriate, while also taking steps to optimize our cost structure. Further,

¹ See “Non-GAAP Financial Measures” below for a definition and reconciliation to the most comparable GAAP measure.

we launched an initiative to reduce manufacturing and administrative overhead during the quarter to support the long-term profitability of our business.”

“Our focus on free cash flow and deleveraging of the balance sheet has improved our financial profile and ability to weather macroeconomic uncertainties and other challenges,” continued Mr. Abulaban. “We remain confident in our ability to capitalize on secular trends and demand for premium wheels to advance our competitive position. Leveraging our operational strength and robust portfolio, we look forward to driving further progress while delivering sustained value for shareholders.”

First Quarter Results

Net sales for the first quarter of 2023 were \$381 million, compared to net sales of \$401 million in the prior year period. The decline in net sales compared to the prior year period is due to foreign exchange, lower cost of aluminum and lower unit shipments. Value-Added Sales, a Non-GAAP financial measure, was \$203 million for the first quarter of 2023, compared to \$189 million in the prior year period. Value-Added Sales increased compared to the prior year period notwithstanding the decline in unit shipments because of the pass-through of cost inflation to customers. Content per Wheel, a Non-GAAP financial measure, was \$53.67, up 16% compared to the prior year quarter, due to the continuing preference for larger wheels with more complex finishes and pricing. See “Non-GAAP Financial Measures” below and the reconciliation of consolidated net sales to Value-Added Sales and Value-Added Sales Adjusted for Foreign Exchange in this press release.

Gross profit for the first quarter of 2023 was \$35 million, compared to \$41 million in the prior year period, because of fewer unit shipments and restructuring charges associated with the initiative to reduce our fixed cost structure.

Selling, general, and administrative (“SG&A”) expenses for the first quarter of 2023 were \$19 million, compared to \$17 million in the prior year period. The increase is due to restructuring charges associated with the initiative to reduce administrative expenses.

Operating income for the first quarter of 2023 was \$15 million, compared to \$24 million in the prior year period. The decrease is due to lower gross profit and higher SG&A expenses.

The tax provision for the first quarter of 2023 was \$3 million, compared to a provision of \$4 million in the first quarter of 2022.

For the first quarter of 2023, the Company reported a net loss of \$4 million, or loss per diluted share of \$0.49. This compares to net income of \$10 million, and earnings per diluted share of \$0.04, in the first quarter of 2022. See “Earnings per Share Calculation” in this press release.

Adjusted EBITDA, a Non-GAAP financial measure, was \$46 million for the first quarter of 2023, or 22% of Value-Added Sales, which compares to \$49 million, or 26% of Value-Added Sales, in the prior year period. The decrease in Adjusted EBITDA was due to lower operating income. The decrease in Adjusted EBITDA margin was primarily due to higher recovery of cost inflation

from customers in Q1 of 2022, as well as lower unit shipments in Q1 of 2023. See “Non-GAAP Financial Measures” below and the reconciliation of net income to Adjusted EBITDA in this press release.

The Company reported cash flow provided by operating activities of \$39 million in the first quarter of 2023, compared to \$45 million during the first quarter of 2022. Free Cash Flow, a Non-GAAP financial measure, for the first quarter was \$17 million, compared to \$22 million in the prior year period. See “Non-GAAP Financial Measures” below and the reconciliation of cash flow from operations to Free Cash Flow in this press release.

Financial Position

As of March 31, 2023, Superior had funded debt of \$650 million and Net Debt, a Non-GAAP financial measure, of \$421 million, compared to funded debt of \$611 million and Net Debt of \$477 million as of March 31, 2022. The decline in Net Debt is primarily due to Free Cash Flow for the twelve months ended March 31, 2023. See “Non-GAAP Financial Measures” below and the reconciliation of funded debt to Net Debt in this press release.

2023 Outlook

Macroeconomic uncertainty in the second half of 2023 is increasing. As a result, Superior is narrowing its full year 2023 outlook as follows:

	<u>FY 2023 Outlook</u>
Unit Shipments	15.0 - 15.8 million
Net Sales	\$1.55 - \$1.63 billion
Value-Added Sales	\$755 - \$795 million
Adjusted EBITDA	\$170 - \$190 million
Cash Flow from Operations	\$110 - \$130 million
Capital Expenditures	~\$65 million

Value-Added Sales and Adjusted EBITDA are Non-GAAP measures, as defined below. In reliance on the safe harbor provided under section 10(e) of Regulation S-K, Superior has not quantitatively reconciled from net income, the most comparable GAAP measure, to Adjusted EBITDA presented in the 2023 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.

Conference Call

Superior will host a conference call beginning at 8:30 AM ET on Thursday, May 4, 2023. The conference call may be accessed by dialing +1 786-697-3501 for participants in the U.S./Canada or 866-580-3963 for participants outside the U.S./Canada using the required conference ID 5042023. The live conference call can also be accessed by logging into the Company’s website

at www.supind.com or by clicking this link: [earnings call webcast](#). A replay of the webcast will be available on the Company's website immediately following the conclusion of the call.

During the conference call, the Company's management plans to review operating results and discuss financial and operating matters. In addition, management may disclose material information in response to questions posed by participants during the call.

About Superior Industries

Superior is one of the world's leading aluminum wheel suppliers. Superior's team collaborates with customers to design, engineer, and manufacture a wide variety of innovative and high-quality products utilizing the latest light weighting and finishing technologies. Superior serves the European aftermarket with the brands ATS®, RIAL®, ALUTEC®, and ANZIO®. Headquartered in Southfield, Michigan, Superior is listed on the New York Stock Exchange. For more information, please visit www.supind.com.

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, acquisition and integration, 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 other costs, as well as outsourced service provider ("OSP") costs 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 Foreign Exchange 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.

Forward-Looking Statements

This press release contains 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 2023 outlook included herein, the impact of COVID-19 and the resulting supply chain disruptions, increased energy costs, semiconductor shortages, and rising interest rates, as well as the Ukraine Conflict, on our future growth and earnings. These statements include our belief regarding general automotive industry market conditions and growth rates, as well as domestic and international economic conditions. 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 release.

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SUPERIOR INDUSTRIES INTERNATIONAL, INC.
Condensed Consolidated Statements of Income (Loss) (Unaudited)
(Dollars in Millions, Except Per Share Amounts)

	Three Months	
	1Q 2023	1Q 2022
Net Sales	\$ 381.0	\$ 400.5
Cost of Sales	346.4	359.9
Gross Profit	\$ 34.6	\$ 40.6
SG&A Expenses	19.4	17.0
Income From Operations	\$ 15.1	\$ 23.6
Interest Expense, net	(15.7)	(10.0)
Other Expense, net	(0.2)	(0.1)
(Loss) Income Before Income Taxes	\$ (0.7)	\$ 13.6
Income Tax Provision	(3.3)	(3.5)
Net (Loss) Income	\$ (4.0)	\$ 10.1
(Loss) Earnings Per Share:		
Basic	\$ (0.49)	\$ 0.04
Diluted	\$ (0.49)	\$ 0.04
Weighted Average and Equivalent Shares		
Outstanding for EPS (in Thousands):		
Basic	27,299	26,397
Diluted	27,299	27,414

SUPERIOR INDUSTRIES INTERNATIONAL, INC.
Condensed Consolidated Balance Sheets (Unaudited)
(Dollars in Millions)

	3/31/2023	12/31/2022
Current Assets	\$ 556.4	\$ 508.9
Property, Plant and Equipment, net	483.3	474.0
Intangibles and Other Assets	156.0	150.9
Total Assets	\$ 1,195.6	\$ 1,133.7
Current Liabilities	\$ 295.1	\$ 251.3
Long-Term Liabilities	679.0	683.8
Redeemable Preferred Shares	228.9	222.8
European Non-controlling Redeemable Equity	1.1	1.1
Shareholders' Deficit	(8.5)	(25.3)
Total Liabilities and Shareholders' Deficit	\$ 1,195.6	\$ 1,133.7

SUPERIOR INDUSTRIES INTERNATIONAL, INC.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(Dollars in Millions)

	Three Months	
	1Q 2023	1Q 2022
Net (Loss) Income	\$ (4.0)	\$ 10.1
Depreciation and Amortization	22.8	24.1
Income tax, Non-cash Changes	2.3	2.0
Stock-based Compensation	0.8	2.6
Amortization of Debt Issuance Costs	1.2	1.2
Other Non-cash Items	2.4	0.3
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(13.3)	(40.4)
Inventories	(7.2)	(36.6)
Other Assets and Liabilities	4.1	4.4
Accounts Payable	32.2	78.1
Income Taxes	(2.4)	(0.9)
Cash Flow Provided By Operating Activities	\$ 38.7	\$ 45.0
Capital Expenditures	(15.6)	(18.0)
Proceeds from Sale of Property, Plant and Equipment	-	0.2
Net Cash Used In Investing Activities	\$ (15.6)	\$ (17.8)
Debt Repayment	(2.2)	(1.3)
Cash Dividends	(3.3)	(3.4)
Payments Related to Tax Withholdings for Stock-Based Compensation	(3.3)	(1.6)
Finance Lease Payments	(0.3)	(0.3)
Cash Flow Used In Financing Activities	\$ (9.2)	\$ (6.7)
Effect of Exchange Rate on Cash	1.6	(0.3)
Net Change in Cash	\$ 15.6	\$ 20.2
Cash - Beginning	213.0	113.5
Cash - Ending	\$ 228.6	\$ 133.7

SUPERIOR INDUSTRIES INTERNATIONAL, INC.
Earnings Per Share Calculation (Unaudited)
(Dollars and Outstanding Shares in Millions, Except Per Share Amounts)

	Three Months	
	1Q 2023	1Q 2022
<u>Basic EPS Calculation⁽¹⁾</u>		
Net (Loss) Income	\$ (4.0)	\$ 10.1
Less: Accretion of Preferred Stock	(6.1)	(5.5)
Less: Redeemable Preferred Stock Dividends	(3.3)	(3.4)
Numerator	\$ (13.4)	\$ 1.2
 Denominator: Weighted Avg. Shares Outstanding	27.3	26.4
 Basic (Loss) Earnings Per Share	\$ (0.49)	\$ 0.04
 <u>Diluted EPS Calculation⁽¹⁾</u>		
Net (Loss) Income	\$ (4.0)	\$ 10.1
Less: Accretion of Preferred Stock	(6.1)	(5.5)
Less: Redeemable Preferred Stock Dividends	(3.3)	(3.4)
Numerator	\$ (13.4)	\$ 1.2
Weighted Avg. Shares Outstanding-Basic	27.3	26.4
Dilutive Stock Options and Restricted Stock Units	-	1.0
Denominator: Weighted Avg. Shares Outstanding	27.3	27.4
 Diluted (Loss) Earnings Per Share	\$ (0.49)	\$ 0.04

⁽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 March 31, 2023 and 2022.

SUPERIOR INDUSTRIES INTERNATIONAL, INC.
Non-GAAP Financial Measures (Unaudited)
(Dollars in Millions and Units in Thousands, Except Per Wheel)

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

	Three Months	
	1Q 2023	1Q 2022
Net Sales	\$ 381.0	\$ 400.5
Less: Aluminum, Other Costs, and Outside Service Provider Costs	(178.3)	(211.1)
Value-Added Sales	\$ 202.7	\$ 189.4
Currency Impact on Current Period Value-Added Sales	4.4	-
Value-Added Sales Adjusted for Foreign Exchange	\$ 207.1	\$ 189.4
		9%
Wheels Shipped	3,858	4,084
Content per Wheel	\$ 53.67	\$ 46.38

Free Cash Flow

	Three Months	
	1Q 2023	1Q 2022
Cash Flow Provided By Operating Activities	38.7	\$ 45.0
Net Cash Used In Investing Activities	(15.6)	(17.8)
Cash Payments for Non-debt Financing Activities	(6.6)	(5.0)
Free Cash Flow	16.5	\$ 22.2

Adjusted EBITDA

	Three Months	
	1Q 2023	1Q 2022
Net (Loss) Income	\$ (4.0)	\$ 10.1
Adjusting Items:		
- Interest Expense, net	15.7	10.0
- Income Tax Provision	3.3	3.5
- Depreciation	18.0	17.8
- Amortization	4.8	6.2
- Restructuring and Other	6.7	1.0
- Factoring Fees	1.0	0.6
Adjusted EBITDA	\$ 49.5	\$ 39.1
	\$ 45.5	\$ 49.2

Net Debt

	3/31/2023	3/31/2022
Long Term Debt (Less Current Portion) ⁽¹⁾	\$ 639.8	\$ 605.0
Short Term Debt	10.0	6.0
Total Debt ⁽¹⁾	649.8	611.0
Less: Cash and Cash Equivalents	(228.6)	(133.7)
Net Debt	\$ 421.2	\$ 477.3

⁽¹⁾ Excluding Debt Issuance Cost

Outlook for Full Year 2023 Value-Added Sales

Net Sales Outlook

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

Value-Added Sales Outlook

Outlook Range

\$ 1,550.0	\$ 1,630.0
(795.0)	(835.0)
\$ 755.0	\$ 795.0