

News Release

Superior Reports First Quarter 2024 Financial Results

Executing strategic transformation to enhance competitive positioning

First Quarter 2024 Highlights:

- **Successfully exited high-cost German manufacturing facility, as planned**
- **Net Sales of \$316M (down 4% before giving effect to lower cost of aluminum and Deconsolidation of Subsidiary ¹)**
- **Value-Added Sales Adjusted for FX and Deconsolidation¹ of Subsidiary of \$171M, down 6% YoY**
- **Net Loss of \$33M**
- **Adjusted EBITDA¹ of \$31M**
- **Cash Flow Provided by Operating Activities of \$4M**
- **Unlevered Free Cash Flow¹ of \$8M**

SOUTHFIELD, MICHIGAN – **May 2, 2024** – **Superior Industries International, Inc.** (“**Superior**” or the “**Company**”) (NYSE:SUP) today reported financial results for the first quarter ended March 31, 2024.

(\$ in millions)

	Three Months	
	1Q 2024	1Q 2023
Net Sales		
North America	\$ 193.5	\$ 211.6
Europe	122.8	169.3
Global	\$ 316.3	\$ 381.0
Value-Added Sales ⁽¹⁾		
North America	\$ 100.7	\$ 105.8
Europe	71.5	96.9
Global	\$ 172.2	\$ 202.7

“We are pleased with the progress we have made in executing on the transformation of our European business we announced last year. Production in our manufacturing facility in Germany, SPG, has ceased and we are in the process of transferring the business to Poland. The transformation of our European operations will significantly improve our profitability and position Superior with a competitively advantaged footprint. We expect Superior to exit 2024 as a business generating approximately \$190 million of Adjusted EBITDA on unit sales of just over 15 million,” commented Majdi Abulaban, President and Chief Executive Officer of Superior.

“Having completed the transformation of our North American operations, and following the completion of similar actions in Europe, we expect to drive significant improvement in our sales,

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

earnings and cash flows well into the future,” Mr. Abulaban continued. “Further, our actions to address the Company’s capital structure are proceeding, and we look forward to delivering sustainable growth and long-term value for our shareholders.”

First Quarter 2024 Results

Net Sales for the first quarter of 2024 were \$316 million, compared to Net Sales of \$381 million in the first quarter of 2023. The decrease in Net Sales was primarily due to lower aluminum pass through, lower recovery of cost inflation from customers, and lower unit shipments. Value-Added Sales Adjusted for Foreign Exchange and Deconsolidation, a Non-GAAP financial measure, was \$171 million for 2024, compared to \$182 million in the prior year period. The decrease was primarily due to lower recovery of cost inflation from customers and lower unit shipments. LTM Content per Wheel, a Non-GAAP financial measure, was \$49.17, down 4% compared to the prior year primarily due to lower recovery of cost inflation from customers. See “Non-GAAP Financial Measures” below and the reconciliation of consolidated Net Sales to Value-Added Sales, Value-Added Sales Adjusted for Foreign Exchange and Deconsolidation, and LTM Content per Wheel in this press release.

Gross Profit for the first quarter of 2024 was \$21 million, compared to \$35 million in the prior year period due to restructuring costs associated with the transformation of our European business, recovery of cost inflation from customers, and lower unit shipments, partially offset by lower conversion costs.

Selling, General, and Administrative (“SG&A”) expenses for the first quarter of 2024 were \$21 million, compared to \$19 million in the prior year period. The increase in SG&A expenses is primarily due to restructuring costs associated with the transformation of our European business.

Income from Operations was \$0.3 million in the first quarter of 2024, compared to Income from Operations of \$15 million in the first quarter of 2023. The decrease is primarily due to restructuring costs associated with the transformation of our business in Europe, lower recovery of cost inflation from customers, and lower unit shipments.

Income Tax Provision for the first quarter of 2024 was \$17 million, compared to an Income Tax Provision of \$3 million in the first quarter of 2023. The increase in expense is because of a non-cash tax restructuring charge that reduced net tax deferred assets by \$18 million.

For the first quarter of 2024, the Company reported a Net Loss of \$33 million, or Loss per Diluted Share of \$1.52. This compares to Net Loss of \$4 million, or Loss per Diluted Share of \$0.49, in the first quarter 2023. See “Earnings per Share Calculation” in this press release.

Adjusted EBITDA, a Non-GAAP financial measure, was \$31 million, or 18% of Value-Added Sales in the first quarter of 2024, which compares to \$46 million, or 22% of Value-Added Sales, in the first quarter of 2023. The decrease in Adjusted EBITDA was primarily due to lower recovery of cost inflation from customers and lower unit shipments, partially offset by lower conversion costs. 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 \$4 million for the first quarter of 2024, compared to Cash Flow Provided by Operating Activities of \$39 million in the first quarter of 2023. The decrease in Cash Flow Provided by Operating Activities was lower primarily because of a \$29 million higher net loss, \$14 million of which is higher non-cash taxes, lower sources of cash provided by trade payables of \$16 million and other assets and liabilities of \$7 million. Unlevered Free Cash Flow, a Non-GAAP financial measure, for the first quarter 2024 was \$8 million, a decrease of \$26 million compared to the prior period because of lower Cash Flow Provided by Operating activities partially offset by \$9 million fewer capital expenditures. For the first quarter 2024, Free Cash Flow, a Non-GAAP financial measure, was negative \$8 million, a decrease of \$24 million compared to the prior year period primarily because of lower Cash Flow Provided by Operating activities, partially offset by \$9 million fewer capital expenditures. See “Non-GAAP Financial Measures” below and the reconciliation of Cash Flow Provided by Operating Activities to Free Cash Flow and Unlevered Free Cash Flow in this press release.

Financial Position

As of March 31, 2024, Superior had funded debt of \$630 million and Net Debt, a Non-GAAP financial measure, of \$439 million, compared to funded debt of \$650 million and Net Debt of \$421 million as of March 31, 2023. See “Non-GAAP Financial Measures” below and the reconciliation of funded debt to Net Debt in this press release.

2024 Outlook

Superior’s full year 2024 Outlook is as follows:

	<u>FY 2024 Outlook</u>
Net Sales	\$1.38 - \$1.48 billion
Value-Added Sales	\$720 - \$770 million
Adjusted EBITDA	\$155 - \$175 million
Unlevered Free Cash Flow	\$110 - \$130 million
Capital Expenditures	~\$50 million

Value-Added Sales, Adjusted EBITDA, and Unlevered Free Cash Flow 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, Net Sales (the most comparable GAAP measure) to Value-Added Sales, nor Cash Flow Provided by Operating Activities (the most comparable GAAP measure) to Unlevered Free Cash Flow presented in the 2024 Outlook, as Superior is unable to quantify certain amounts included in Net Income, Net Sales and Cash Flow Provided by Operating Activities 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 2, 2024. The conference call may be accessed by dialing +1 786 697 3501 for participants in the U.S. or 866 580 3963 for participants outside the U.S. using the required conference ID 05022024 when prompted by the operator. 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. "Net Sales Adjusted for Change in Cost of Aluminum and Deconsolidation of Subsidiary" defined as Net Sales less the change from cost of aluminum and deconsolidation of subsidiary. "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. "Value-Added Sales Adjusted for FX and Deconsolidation," which is also referred to as "Value-Added Sales Adjusted for Foreign Exchange and Deconsolidation," defined as Value-Added Sales adjusted for the impact of foreign exchange translation and the impact of deconsolidating SPG. "Content per Wheel," defined as Value-Added Sales Adjusted for Foreign Exchange on a per unit (wheel) shipment basis. "Free Cash Flow," defined as Cash Flow Provided by Operating Activities less Cash used in Investing Activities less non-debt components of financing activities. "Unlevered Free Cash Flow," defined as Cash Flow Provided by Operating Activities less Capital Expenditures plus Cash Interest Paid. "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 2024 Outlook included herein, the impact of COVID-19 and the resulting supply chain disruptions, increased energy costs, semiconductor shortages, rising interest rates, the Russian military invasion of Ukraine and the United Auto Workers strikes 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.

New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect Superior. It should be remembered that the price of the ordinary shares and any income from them can go down as well as up. Superior disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events and/or otherwise, except as may be required by law.

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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 2024	1Q 2023
Net Sales	\$ 316.3	\$ 381.0
Cost of Sales	<u>295.1</u>	<u>346.4</u>
Gross Profit	\$ 21.1	\$ 34.6
SG&A Expenses	<u>20.8</u>	<u>19.4</u>
Income From Operations	\$ 0.3	\$ 15.1
Interest Expense, net	(15.9)	(15.7)
Other Expense, net	<u>(0.5)</u>	<u>(0.2)</u>
Loss Before Income Taxes	\$ (16.1)	\$ (0.7)
Income Tax Provision	<u>(16.6)</u>	<u>(3.3)</u>
Net Loss	\$ (32.7)	\$ (4.0)
Loss Per Share:		
Basic	\$ (1.52)	\$ (0.49)
Diluted	\$ (1.52)	\$ (0.49)
Weighted Average and Equivalent Shares		
Outstanding for EPS (in Thousands):		
Basic	28,254	27,299
Diluted	28,254	27,299

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

	3/31/2024	12/31/2023
Current Assets	\$ 473.5	\$ 459.9
Property, Plant and Equipment, net	386.3	398.6
Intangibles and Other Assets	106.0	131.5
Derivative Financial Instruments	<u>39.7</u>	<u>40.5</u>
Total Assets	\$ 1,005.5	\$ 1,030.6
Current Liabilities	\$ 212.2	\$ 198.9
Long-Term Liabilities	660.5	668.4
Redeemable Preferred Shares	255.0	248.2
European Non-controlling Redeemable Equity	0.7	0.9
Shareholders' Deficit	<u>(122.9)</u>	<u>(85.9)</u>
Total Liabilities and Shareholders' Deficit	\$ 1,005.5	\$ 1,030.6

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

	Three Months	
	1Q 2024	1Q 2023
Net Loss	\$ (32.7)	\$ (4.0)
Depreciation and Amortization	21.9	22.8
Income tax, Non-cash Changes	16.3	2.3
Stock-based Compensation	1.7	0.8
Amortization of Debt Issuance Costs	1.2	1.2
Other Non-cash Items	2.8	2.4
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(12.4)	(13.3)
Inventories	(5.6)	(7.2)
Other Assets and Liabilities	(3.1)	4.1
Accounts Payable	16.3	32.2
Income Taxes	(2.8)	(2.4)
Cash Flow Provided By Operating Activities	\$ 3.5	\$ 38.7
Capital Expenditures	(6.6)	(15.6)
Net Cash Used In Investing Activities	\$ (6.6)	\$ (15.6)
Debt Repayment	(1.7)	(2.2)
Cash Dividends	(3.3)	(3.3)
Financing Costs Paid and Other	(0.2)	-
Payments Related to Tax Withholdings for Stock-Based Compensation	(1.1)	(3.3)
Finance Lease Payments	(0.2)	(0.3)
Cash Flow Used In Financing Activities	\$ (6.5)	\$ (9.2)
Effect of Exchange Rate on Cash	(0.8)	1.6
Net Change in Cash	\$ (10.5)	\$ 15.6
Cash - Beginning	201.6	213.0
Cash - Ending	\$ 191.1	\$ 228.6

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

	Three Months	
	1Q 2024	1Q 2023
<u>Basic EPS Calculation⁽¹⁾</u>		
Net Loss	\$ (32.7)	\$ (4.0)
Less: Accretion of Preferred Stock	(6.8)	(6.1)
Less: Redeemable Preferred Stock Dividends	(3.4)	(3.3)
Numerator	\$ (42.9)	\$ (13.4)
Denominator: Weighted Avg. Shares Outstanding	28.3	27.3
Basic (Loss) Earnings Per Share	\$ (1.52)	\$ (0.49)
<u>Diluted EPS Calculation⁽¹⁾</u>		
Net Loss	\$ (32.7)	\$ (4.0)
Less: Accretion of Preferred Stock	(6.8)	(6.1)
Less: Redeemable Preferred Stock Dividends	(3.4)	(3.3)
Numerator	\$ (42.9)	\$ (13.4)
Weighted Avg. Shares Outstanding-Basic	28.3	27.3
Dilutive Stock Options and Restricted Stock Units	-	-
Denominator: Weighted Avg. Shares Outstanding	28.3	27.3
Diluted (Loss) Earnings Per Share	\$ (1.52)	\$ (0.49)

⁽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, 2024 and 2023.

**Value-Added Sales; Value-Added Sales Adjusted for Foreign Exchange;
and Value-Added Sales Adjusted for Foreign Exchange and
Deconsolidation; and Content per Wheel ⁽¹⁾**

	Three Months		Trailing Twelve Months	
	1Q 2024	1Q 2023	1Q 2024	1Q 2023
Net Sales	\$ 316.3	\$ 381.0	\$ 1,320.6	\$ 1,620.4
Less: Aluminum, Other Costs, and Outside Service Provider Costs	(144.1)	(178.3)	(603.5)	(836.5)
Value-Added Sales ⁽¹⁾	\$ 172.2	\$ 202.7	\$ 717.1	\$ 783.9
Currency Impact on Current Period Value-Added Sales	(0.9)	-	(12.6)	-
Value-Added Sales Adjusted for Foreign Exchange ⁽¹⁾	\$ 171.3	\$ 202.7	\$ 704.5	\$ 783.9
Deconsolidation Impact	-	(20.6)		
Value-Added Sales Adjusted for Foreign Exchange and Deconsolidation ⁽¹⁾	\$ 171.3	\$ 182.1		
Wheels Shipped	3,623	3,858	14,327	15,366
Content per Wheel ⁽¹⁾	\$ 47.29	\$ 52.54	\$ 49.17	\$ 51.02

Adjusted EBITDA ⁽¹⁾

	Three Months	
	1Q 2024	1Q 2023
Net Loss	\$ (32.7)	\$ (4.0)
Adjusting Items:		
- Interest Expense, net	15.9	15.7
- Income Tax Provision	16.6	3.3
- Depreciation	17.1	18.0
- Amortization	4.9	4.8
- Restructuring and Other	7.9	6.7
- Factoring Fees	1.2	1.0
	\$ 63.6	\$ 49.5
Adjusted EBITDA ⁽¹⁾	\$ 30.8	\$ 45.5

⁽¹⁾ Value-Added sales and Adjusted EBITDA are non-GAAP financial measures; see page 4 for definitions.

SUPERIOR INDUSTRIES INTERNATIONAL, INC.
Non-GAAP Financial Measures (Unaudited)
(Dollars in Millions)

<u>Free Cash Flow</u> ⁽¹⁾	Three Months	
	1Q 2024	1Q 2023
Cash Flow Provided By Operating Activities	\$ 3.5	\$ 38.7
Net Cash Used In Investing Activities	(6.6)	(15.6)
Cash Payments for Non-debt Financing Activities	(4.4)	(6.6)
Free Cash Flow ⁽¹⁾	\$ (7.5)	\$ 16.5

<u>Unlevered Free Cash Flow</u> ⁽¹⁾	Three Months	
	1Q 2024	1Q 2023
Cash Flow Provided By Operating Activities	\$ 3.5	\$ 38.7
Capital Expenditures	(6.6)	(15.6)
Cash Interest Paid	10.7	10.8
Unlevered Free Cash Flow ⁽¹⁾	\$ 7.6	\$ 33.9

<u>Net Debt</u> ^{(1) (3)}	3/31/2024	3/31/2023
	Long Term Debt (Less Current Portion)	\$ 625.6
Short Term Debt	4.6	10.0
Total Debt	630.2	649.8
Less: Cash and Cash Equivalents	(191.1)	(228.6)
Net Debt ⁽¹⁾	439.1	421.2
Currency Impact on Current Period Net Debt ⁽²⁾	2.5	-
Net Debt Adjusted for Foreign Exchange ⁽¹⁾	\$ 441.6	\$ 421.2

⁽¹⁾ Net Debt, Net Debt Adjusted for Foreign Exchange, Free Cash Flow and Unlevered Free Cash Flow are non-GAAP financial measures; see page 4 for definitions.

⁽²⁾ Exchange rate adjustment to state March 2024 net debt at March 2023 currency levels

⁽³⁾ Excluding Debt Issuance Cost

Net Sales Adjusted for Change in the Cost of Aluminum and Deconsolidation ⁽¹⁾

	Three Months	
	1Q 2024	1Q 2023
Net Sales	\$ 316.3	\$ 381.0
Change in Cost of Aluminum	-	(31.2)
SPG Deconsolidation	-	(20.6)
Net Sales Adjusted for Change in the Cost of Aluminum and Deconsolidation ⁽¹⁾	\$ 316.3	\$ 329.2

⁽¹⁾ Net Sales Adjusted for Change in the Cost of Aluminum and Deconsolidation is a non-GAAP financial measure; see page 4 for definitions.