UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________.

Commission file number: 001-06615

SUPERIOR INDUSTRIES INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**95-2594729** **(I.R.S. Employer Identification No.)**
26600 Telegraph Road, Suite 400 **Southfield, Michigan** **(Address of Principal Executive Offices)**	**48033** **(Zip Code)**

Registrant's Telephone Number, Including Area Code: (248) 352-7300

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value	**SUP**	**New York Stock Exchange**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☐	Accelerated Filer	☒
Non-Accelerated Filer	☐	Smaller Reporting Company	☒
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of common stock outstanding as of April 26, 2024: 28,600,152

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

SUPERIOR INDUSTRIES INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(Dollars in thousands, except per share amounts)

(Unaudited)

	Three Months Ended	
	March 31, 2024	March 31, 2023
NET SALES	$ 316,276	$ 380,966
Cost of sales	295,130	346,388
GROSS PROFIT	21,146	34,578
Selling, general and administrative expenses	20,832	19,442
INCOME FROM OPERATIONS	314	15,136
Interest expense, net	(15,878)	(15,698)
Other expense, net	(537)	(187)
LOSS BEFORE INCOME TAXES	(16,101)	(749)
Income tax provision	(16,648)	(3,298)
NET LOSS	$ (32,749)	$ (4,047)
LOSS PER SHARE – BASIC	$ (1.52)	$ (0.49)
LOSS PER SHARE – DILUTED	$ (1.52)	$ (0.49)

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

SUPERIOR INDUSTRIES INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Dollars in thousands)

(Unaudited)

	Three Months Ended	
	March 31, 2024	March 31, 2023
Net loss	$ (32,749)	$ (4,047)
Other comprehensive income (loss), net of tax:		
Foreign currency translation gain	2,499	14,631
Change in unrecognized gains on derivative instruments:		
Change in fair value of derivatives	3,466	19,453
Tax provision	(772)	(1,333)
Change in unrecognized gains on derivative instruments, net of tax	2,694	18,120
Defined benefit pension plan:		
Amortization of actuarial losses on pension obligation	—	—
Tax benefit	178	—
Pension changes, net of tax	178	—
Other comprehensive income, net of tax	5,371	32,751
Comprehensive (loss) income	$ (27,378)	$ 28,704

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

SUPERIOR INDUSTRIES INTERNATIONAL, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

(Unaudited)

	March 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 191,071	$ 201,606
Accounts receivable, net	66,170	56,393
Inventories, net	149,030	144,609
Income taxes receivable	2,175	1,559
Derivative financial instruments	40,598	38,298
Other current assets	24,455	17,464
Total current assets	473,499	459,929
Property, plant and equipment, net	386,277	398,599
Deferred income tax assets, net	35,106	52,213
Intangibles, net	27,637	33,242
Derivative financial instruments	39,670	40,471
Other noncurrent assets	43,323	46,117
Total assets	$ 1,005,512	$ 1,030,571
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 139,856	$ 124,907
Short-term debt	4,571	5,322
Accrued expenses	65,818	66,838
Income taxes payable	1,920	1,844
Total current liabilities	212,165	198,911
Long-term debt (less current portion)	605,046	610,632
Noncurrent income tax liabilities	5,795	8,129
Deferred income tax liabilities, net	1,403	1,903
Other noncurrent liabilities	48,296	47,821
Commitments and contingent liabilities (Note 17)	—	—
Mezzanine equity:		
Preferred stock, $0.01 par value		
Authorized – 1,000,000 shares		
Issued and outstanding – 150,000 shares outstanding at March 31, 2024 and December 31, 2023	255,032	248,222
European noncontrolling redeemable equity	682	893
Shareholders' deficit:		
Common stock, $0.01 par value		
Authorized – 100,000,000 shares		
Issued and outstanding – 28,600,152 and 28,091,440 shares at March 31, 2024 and December 31, 2023	115,924	115,340
Accumulated other comprehensive loss	(16,920)	(22,291)
Retained earnings	(221,911)	(178,989)
Total shareholders' deficit	(122,907)	(85,940)
Total liabilities, mezzanine equity and shareholders' deficit	$ 1,005,512	$ 1,030,571

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

SUPERIOR INDUSTRIES INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

(Unaudited)

	Three Months Ended	
	March 31, 2024	March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (32,749)	$ (4,047)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21,946	22,841
Income tax, noncash changes	16,257	2,292
Stock-based compensation	1,720	801
Amortization of debt issuance costs	1,170	1,186
Other noncash items	2,782	2,377
Changes in operating assets and liabilities:		
Accounts receivable	(12,446)	(13,346)
Inventories	(5,612)	(7,169)
Other assets and liabilities	(3,107)	4,060
Accounts payable	16,305	32,181
Income taxes	(2,796)	(2,438)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,470	38,738
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant, and equipment	(6,618)	(15,589)
NET CASH USED IN INVESTING ACTIVITIES	(6,618)	(15,589)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of debt	(1,707)	(2,228)
Cash dividends paid	(3,338)	(3,330)
Financing costs paid and other	(217)	(23)
Payments related to tax withholdings for stock-based compensation	(1,136)	(3,303)
Finance lease payments	(150)	(288)
NET CASH USED IN FINANCING ACTIVITIES	(6,548)	(9,172)
Effect of exchange rate changes on cash	(839)	1,639
Net changes in cash and cash equivalents	(10,535)	15,616
Cash and cash equivalents at the beginning of the period	201,606	213,022
Cash and cash equivalents at the end of the period	$ 191,071	$ 228,638

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

SUPERIOR INDUSTRIES INTERNATIONAL, INC.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)

(Dollars in thousands, except share amounts)

(Unaudited)

	Common Stock		Accumulated Other Comprehensive (Loss) Income				
	Number of Shares	Amount	Unrecognized Gains (Losses) on Derivative Instruments	Pension Obligations	Cumulative Translation Adjustment	Retained Earnings	Total
BALANCE AT JANUARY 1, 2024	28,091,440	$ 115,340	$ 59,859	$ 852	$ (83,002)	$ (178,989)	$ (85,940)
Net loss	—	—	—	—	—	(32,749)	(32,749)
Change in unrecognized gains on derivative instruments, net of tax	—	—	2,694	—	—	—	2,694
Change in defined benefit plans, net of taxes	—	—	—	178	—	—	178
Net foreign currency translation adjustment	—	—	—	—	2,499	—	2,499
Common stock issued, net of shares withheld for employee taxes	508,712	—	—	—	—	—	—
Stock-based compensation	—	584	—	—	—	—	584
Redeemable preferred 9% dividend and accretion	—	—	—	—	—	(10,166)	(10,166)
European noncontrolling redeemable equity dividend	—	—	—	—	—	(7)	(7)
BALANCE AT MARCH 31, 2024	28,600,152	$ 115,924	$ 62,553	$ 1,030	$ (80,503)	$ (221,911)	$ (122,907)

	Common Stock		Accumulated Other Comprehensive (Loss) Income				
	Number of Shares	Amount	Unrecognized Gains (Losses) on Derivative Instruments	Pension Obligations	Cumulative Translation Adjustment	Retained Earnings	Total
BALANCE AT JANUARY 1, 2023	27,016,125	$ 111,105	$ 19,844	$ 1,591	$ (110,704)	$ (47,133)	$ (25,297)
Net loss	—	—	—	—	—	(4,047)	(4,047)
Change in unrecognized gains (losses) on derivative instruments, net of tax	—	—	18,120	—	—	—	18,120
Change in defined benefit plans, net of taxes	—	—	—	—	—	—	—
Net foreign currency translation adjustment	—	—	—	—	14,631	—	14,631
Common stock issued, net of shares withheld for employee taxes	892,544	—	—	—	—	—	—
Stock-based compensation	—	(2,502)	—	—	—	—	(2,502)
Redeemable preferred 9% dividend and accretion	—	—	—	—	—	(9,440)	(9,440)
European noncontrolling redeemable equity dividend	—	—	—	—	—	(10)	(10)
BALANCE AT MARCH 31, 2023	27,908,669	$ 108,603	$ 37,964	$ 1,591	$ (96,073)	$ (60,630)	$ (8,545)

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

NOTE 1 – NATURE OF OPERATIONS AND PRESENTATION OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nature of Operations

The principal business of Superior Industries International, Inc. (referred herein as the "Company," "Superior," or "we" and "our") is the design and manufacture of aluminum wheels for sale to original equipment manufacturers ("OEMs") in North America and Europe and to the aftermarket in Europe. We employ approximately 6,800 full-time employees, operating in seven manufacturing facilities in North America and Europe. We are one of the largest aluminum wheel suppliers to global OEMs and one of the leading European aluminum wheel aftermarket manufacturers and suppliers. Our OEM aluminum wheels accounted for approximately 92 percent of our sales in the first three months of 2024 and are primarily sold for factory installation on vehicle models manufactured by BMW (including Mini), Ford, GM, Honda, Jaguar-Land Rover, Lucid Motors, Mazda, Mitsubishi, Nissan, Peugeot, Renault, Stellantis, Subaru, Suzuki, Toyota, VW Group (Volkswagen, Audi, Skoda and Porsche) and Volvo. We sell aluminum wheels to the European aftermarket under the brands ATS, RIAL, ALUTEC and ANZIO. North America and Europe represent the principal markets for our products, but we have a diversified global customer base consisting of North American, European and Asian OEMs. We have determined that our North American and European operations should be treated as separate reportable segments as further described in Note 5, "Business Segments."

Presentation of Condensed Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial information. Accordingly, they do not include all the information and notes required by U.S. GAAP for complete financial statements. These unaudited condensed consolidated financial statements, in our opinion, include all adjustments, of a normal and recurring nature, which are necessary for fair presentation of the financial statements. This Quarterly Report on Form 10-Q should be read in conjunction with our consolidated financial statements and notes thereto filed with the SEC in our 2023 Annual Report on Form 10-K.

These unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions are eliminated in consolidation.

Interim financial reporting standards require us to make estimates that are based on assumptions regarding the outcome of future events and circumstances not known at that time. Inevitably, some assumptions will not materialize, unanticipated events or circumstances may occur which vary from those estimates and such variations may significantly affect our future results. Additionally, interim results may not be indicative of our results for future interim periods or our annual results.

Cash Paid for Interest and Taxes and Noncash Investing Activities

Cash paid for interest was $12.2 million and $11.9 million for the three months ended March 31, 2024 and March 31, 2023, respectively. Net cash paid for income taxes was $3.2 million and $3.5 million for the three months ended March 31, 2024 and March 31, 2023, respectively. As of March 31, 2024 and March 31, 2023, $3.4 million and $2.9 million, respectively, of equipment had been purchased but not yet paid and was included in accounts payable in our condensed consolidated balance sheets.

Accounting Standards Issued But Not Yet Adopted

Accounting Standards Update (ASU) 2023-07, "Segment Reporting." In November 2023, the FASB issued ASU 2023-07, *"*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures,*"* which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses, allowing financial statement users to better understand the components of a segment's profit or loss to assess potential future cash flows for each reportable segment and the entity as a whole. The amendments expand a public entity's segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker (*"*CODM*"*), clarifying when an entity may report one or more additional measures to assess segment performance, requiring enhanced interim disclosures, providing new disclosure requirements for entities with a single reportable segment, and requiring other new disclosures. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and early adoption is permitted. The Company is currently evaluating the impact of adopting this guidance.

Accounting Standards Update (ASU) 2023-09, "Income Taxes (Topic 740)." In December 2023, the FASB issued ASU 2023-09, *"*Income Taxes (Topic 740): Improvements to Income Tax Disclosures,*"* which is intended to enhance the transparency, decision usefulness and effectiveness of income tax disclosures. The amendments in this ASU require a public entity to disclose a tabular tax rate reconciliation, using both percentages and currency, with specific categories. A public entity is also required to provide a qualitative description of the states and local jurisdictions that make up the majority of the effect of the state and local income tax category and the net amount of income taxes paid, disaggregated by federal, state and foreign taxes and also disaggregated by individual jurisdictions. The amendments are effective prospectively for annual periods beginning after December 15, 2024, and early adoption and retrospective application are permitted. The Company is currently evaluating the impact of adopting this guidance.

NOTE 2 – REVENUE

The Company disaggregates revenue from contracts with customers into our reportable segments, North America and Europe. Revenues by segment for the three-month periods ended March 31, 2024 and March 31, 2023, respectively, are summarized in Note 5, "Business Segments."

The opening and closing balances of the Company's customer receivables and current and long-term contract liabilities balances are as follows:

(Dollars in thousands)	March 31, 2024	December 31, 2023	Change
Customer receivables	$ 53,907	$ 41,879	$ 12,028
Contract liabilities—current	1,680	2,982	(1,302)
Contract liabilities—noncurrent	10,623	8,530	2,093

NOTE 3 – FAIR VALUE MEASUREMENTS

The Company applies fair value accounting for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis, while other assets and liabilities are measured at fair value on a nonrecurring basis, such as an asset impairment. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

The carrying amounts for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate their fair values due to the short period of time until maturity.

Derivative Financial Instruments

Our derivatives are over-the-counter customized derivative instruments and are not exchange traded. We estimate the fair value of these instruments using the income valuation approach. Under this approach, we project future cash flows and discount the future amounts to a present value using market-based expectations for interest rates, foreign exchange rates, commodity prices and the contractual terms of the derivative instruments. The discount rate used is the relevant benchmark rate (e.g., the secured overnight financing rate, *"SOFR"*) plus an adjustment for counterparty risk.

The following tables categorize items measured at fair value as of March 31, 2024 and December 31, 2023:

March 31, 2024 (Dollars in thousands)		**Fair Value Measurement at Reporting Date Using** **Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Derivative contracts	$ 80,268	$ —	$ 80,268	$ —
Total	$ 80,268	$ —	$ 80,268	$ —
Liabilities				
Derivative contracts	$ 3,723	$ —	$ 3,723	$ —
Total	$ 3,723	$ —	$ 3,723	$ —

December 31, 2023 (Dollars in thousands)		**Fair Value Measurement at Reporting Date Using** **Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets				
Derivative contracts	$ 78,769	$ —	$ 78,769	$ —
Total	$ 78,769	$ —	$ 78,769	$ —
Liabilities				
Derivative contracts	$ 4,836	$ —	$ 4,836	$ —
Total	$ 4,836	$ —	$ 4,836	$ —

Debt Instruments

The carrying values of the Company's debt instruments vary from their fair values. The fair values were determined by reference to transacted prices and quotes for these instruments (Level 2). The estimated fair value, as well as the carrying value, of the Company's debt instruments are shown below:

(Dollars in thousands)	**March 31, 2024**	**December 31, 2023**
Estimated aggregate fair value	$ 629,227	$ 627,008
Aggregate carrying value [(1)]	630,201	637,509

(1) Total debt excluding the impact of unamortized debt issuance costs.

NOTE 4 - DERIVATIVE FINANCIAL INSTRUMENTS

We use derivatives to partially offset our exposure to foreign currency, interest rate, aluminum and other commodity price risks. We may enter into forward contracts, option contracts, swaps, collars or other derivative instruments to offset some of the risk on expected future cash flows and on certain existing assets and liabilities. However, we may choose not to hedge certain exposures for a variety of reasons including, but not limited to, accounting considerations and the prohibitive economic cost of hedging particular exposures. There can be no assurance the hedges will fully offset the financial impact resulting from movements in foreign currency exchange rates, interest rates, and aluminum or other commodity prices.

To help mitigate gross margin and cash flow fluctuations due to changes in foreign currency exchange rates, certain of our subsidiaries, whose functional currency is the U.S. dollar or the Euro, hedge a portion of their forecasted foreign currency costs denominated in the Mexican Peso and Polish Zloty, respectively. We may hedge portions of our forecasted foreign currency exposure up to 48 months.

We account for our derivative instruments as either assets or liabilities and adjust them to fair value each period. For derivative instruments that hedge the exposure to variability in expected future cash flows and are designated as cash flow hedges, the gain or loss on the derivative instrument is recorded in accumulated other comprehensive income ("AOCI") or loss in shareholders' equity or deficit until the hedged item is recognized in earnings, at which point accumulated gains or losses are recognized in earnings and classified with the underlying hedged transactions. Derivatives that do not qualify or have not been designated as hedges are adjusted to fair value through earnings in the financial statement line item to which the derivative relates.

The following tables display the fair value of derivatives by balance sheet line item at March 31, 2024 and December 31, 2023:

	March 31, 2024			
(Dollars in thousands)	Derivative Financial Instruments (Current Asset)	Derivative Financial Instruments (Noncurrent Asset)	Accrued Liabilities	Other Noncurrent Liabilities
Foreign exchange forward contracts designated as hedging instruments	$ 36,021	$ 38,573	$ 332	$ 168
Foreign exchange forward contracts not designated as hedging instruments	713	—	118	—
Aluminum forward contracts designated as hedging instruments	165	—	—	—
Natural gas forward contracts designated as hedging instruments	192	71	2,371	734
Interest rate swap contracts designated as hedging instruments	3,507	1,026	—	—
Total derivative financial instruments	$ 40,598	$ 39,670	$ 2,821	$ 902

	December 31, 2023			
(Dollars in thousands)	Derivative Financial Instruments (Current Asset)	Derivative Financial Instruments (Noncurrent Asset)	Accrued Liabilities	Other Noncurrent Liabilities
Foreign exchange forward contracts designated as hedging instruments	$ 33,075	$ 39,902	$ 440	$ 596
Foreign exchange forward contracts not designated as hedging instruments	1,512	—	677	—
Aluminum forward contracts designated as hedging instruments	366	—	36	—
Natural gas forward contracts designated as hedging instruments	183	115	2,358	729
Interest rate swap contracts designated as hedging instruments	3,162	454	—	—
Total derivative financial instruments	$ 38,298	$ 40,471	$ 3,511	$ 1,325

The following table summarizes the notional amount and estimated fair value of our derivative financial instruments:

(Dollars in thousands)	March 31, 2024 Notional U.S. Dollar Amount	March 31, 2024 Fair Value	December 31, 2023 Notional U.S. Dollar Amount	December 31, 2023 Fair Value
Foreign exchange forward contracts designated as hedging instruments	$ 382,274	$ 74,094	$ 432,529	$ 71,941
Foreign exchange forward contracts not designated as hedging instruments	35,690	595	34,764	835
Aluminum forward contracts designated as hedging instruments	7,092	165	15,751	330
Natural gas forward contracts designated as hedging instruments	12,741	(2,842)	11,262	(2,789)
Interest rate swap contracts designated as hedging instruments	200,000	4,533	200,000	3,616
Total derivative financial instruments	$ 637,797	$ 76,545	$ 694,306	$ 73,933

Notional amounts are presented on a net basis. The notional amounts of the derivative financial instruments do not represent amounts exchanged by the parties and, therefore, are not a direct measure of our exposure to the financial risks described above. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the derivatives, such as interest rates, foreign currency exchange rates or commodity prices.

The following tables summarize the gain or loss recognized in AOCI, the amounts reclassified from AOCI into earnings and the amounts recognized directly into earnings for the three months ended March 31, 2024 and March 31, 2023:

Three Months Ended March 31, 2024 (Dollars in thousands)	Amount of Gain or (Loss) Recognized in AOCI on Derivatives	Amount of Pre-tax Gain or (Loss) Reclassified from AOCI into Income	Amount of Pre-tax Gain or (Loss) Recognized in Income on Derivatives
Derivative contracts	$ 2,694	$ 9,177	$ 225

Three Months Ended March 31, 2023 (Dollars in thousands)	Amount of Gain or (Loss) Recognized in AOCI on Derivatives	Amount of Pre-tax Gain or (Loss) Reclassified from AOCI into Income	Amount of Pre-tax Gain or (Loss) Recognized in Income on Derivatives
Derivative contracts	$ 18,120	$ 3,928	$ 2,595

Hedge accounting gains reclassified from AOCI into earnings in the first quarter of 2024 included $8.0 million recognized as a credit to cost of sales and $1.2 million recognized as a credit to interest expense, net. Hedge accounting gains and (losses) reclassified from AOCI into earnings in the first quarter of 2023 included $3.0 million recognized as a credit to cost of sales and $0.9 million recognized as a debit to interest expense, net. Loss on nondesignated hedges are recognized as a debit to other expense, net. Gains on nondesignated hedges are recognized as a credit to other expense, net.

NOTE 5 - BUSINESS SEGMENTS

The North American and European businesses represent separate operating segments in view of the different markets, customers and products in each of these regions. Within each of these regions, markets, customers, products, and production processes are similar. Moreover, our business within each region generally leverages common systems, processes and infrastructure. Accordingly, North America and Europe comprise the Company's reportable segments.

(Dollars in thousands) Three Months Ended	Net Sales March 31, 2024	Net Sales March 31, 2023	Income from Operations March 31, 2024	Income from Operations March 31, 2023
North America	$ 193,508	$ 211,618	$ 8,082	$ 21,715
Europe	122,768	169,348	(7,768)	(6,579)
	$ 316,276	$ 380,966	$ 314	$ 15,136

(Dollars in thousands)	Depreciation and Amortization		Capital Expenditures	
Three Months Ended	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
North America	$ 10,343	$ 9,047	$ 4,557	$ 11,443
Europe	11,603	13,794	2,061	4,146
	$ 21,946	$ 22,841	$ 6,618	$ 15,589

(Dollars in thousands)	Property, Plant and Equipment, net		Intangible Assets	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
North America	$ 217,327	$ 220,951	$ —	$ —
Europe	168,950	177,648	27,637	33,242
	$ 386,277	$ 398,599	$ 27,637	$ 33,242

(Dollars in thousands)	Total Assets	
	March 31, 2024	December 31, 2023
North America	$ 615,752	$ 625,612
Europe	389,760	404,959
	$ 1,005,512	$ 1,030,571

Geographic information

Net sales and property, plant and equipment by location are as follows:

(Dollars in thousands)	Net Sales	
Three Months Ended	March 31, 2024	March 31, 2023
U.S.	$ 1,401	$ 983
Mexico	192,107	210,635
Germany	17,350	42,859
Poland	105,418	126,489
Consolidated net sales	$ 316,276	$ 380,966

(Dollars in thousands)	Property, Plant and Equipment, net	
	March 31, 2024	December 31, 2023
U.S.	$ 1,142	$ 1,228
Mexico	216,185	219,723
Germany	1,838	1,933
Poland	167,112	175,715
Property, plant and equipment, net	$ 386,277	$ 398,599

NOTE 6 - INVENTORIES

(Dollars in thousands)	March 31, 2024	December 31, 2023
Raw materials	$ 49,601	$ 44,539
Work in process	30,629	25,289
Finished goods	68,800	74,781
Inventories, net	$ 149,030	$ 144,609

Service wheel and supplies inventory included in other noncurrent assets in the condensed consolidated balance sheets totaled $11.0 million and $11.7 million at March 31, 2024 and December 31, 2023, respectively.

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT

(Dollars in thousands)	March 31, 2024	December 31, 2023
Land and buildings	$ 147,534	$ 145,912
Machinery and equipment	942,443	934,223
Leasehold improvements and others	3,213	2,943
Construction in progress	25,721	30,252
	1,118,911	1,113,330
Accumulated depreciation	(732,634)	(714,731)
Property, plant and equipment, net	$ 386,277	$ 398,599

Depreciation expense for the three months ended March 31, 2024 and 2023 was $17.1 million and $18.0 million, respectively.

NOTE 8 – INTANGIBLE ASSETS

The Company's finite-lived intangible assets as of March 31, 2024 and December 31, 2023 are summarized in the following table.

As of March 31, 2024 (Dollars in thousands)	Gross Carrying Amount	Accumulated Amortization	Currency Translation	Net Carrying Amount	Remaining Weighted Average Amortization Period
Customer relationships	$ 167,000	$ (138,981)	$ (382)	$ 27,637	1-4

Year Ended December 31, 2023 (Dollars in thousands)	Gross Carrying Amount	Accumulated Amortization	Currency Translation	Net Carrying Amount	Remaining Weighted Average Amortization Period
Customer relationships	$ 167,000	$ (134,097)	$ 339	$ 33,242	1-5

Amortization expense for these intangible assets was $4.9 million and $4.8 million for the three months ended March 31, 2024 and 2023, respectively. The anticipated annual amortization expense for these intangible assets is $19.4 million for 2024, $9.5 million for 2025, $2.5 million for 2026, and $1.0 million for 2027.

NOTE 9 – DEBT

A summary of long-term debt and the related weighted average interest rates is shown below:

	March 31, 2024			
Debt Instrument (Dollars in thousands)	Total Debt	Debt Discount and Issuance Costs (1)	Total Debt, Net	Weighted Average Interest Rate
Term Loan Facility	$ 395,000	$ (19,355)	$ 375,645	13.3%
6.00% Senior Notes	234,197	(1,229)	232,968	6.0%
European CapEx loans	67	—	67	2.2%
Finance leases	937	—	937	2.4%
	$ 630,201	$ (20,584)	609,617	
Less: Current portion			(4,571)	
Long-term debt			$ 605,046	

Debt Instrument	December 31, 2023 Total Debt	Debt Discount and Issuance Costs [1]	Total Debt, Net	Weighted Average Interest Rate
(Dollars in thousands)				
Term Loan Facility	$ 396,000	$ (20,080)	$ 375,920	13.4%
6.00% Senior Notes	239,601	(1,475)	238,126	6.0%
European CapEx loans	784	—	784	2.2%
Finance leases	1,124	—	1,124	2.4%
	$ 637,509	$ (21,555)	615,954	
Less: Current portion			(5,322)	
Long-term debt			$ 610,632	

(1) Unamortized portion

Senior Notes

On June 15, 2017, the Company issued €250 million aggregate principal amount of 6.00% Senior Notes due June 15, 2025 (the "Notes"). Interest on the Notes is payable semiannually, on June 15 and December 15. The Company may redeem the Notes, in whole or in part, at a redemption price of 100 percent, plus any accrued and unpaid interest to, but not including, the applicable redemption date. If we experience a change of control or sell certain assets, the Company may be required to offer to purchase the Notes from the holders. The Notes are senior unsecured obligations ranking equally in right of payment with all of its existing and future senior indebtedness and senior in right of payment to any subordinated indebtedness. The Notes are effectively subordinated in right of payment to the existing and future secured indebtedness of the Company, including the Senior Secured Credit Facilities (as defined below), to the extent of the assets securing such indebtedness.

Guarantee

The Notes are unconditionally guaranteed by all material wholly owned direct and indirect domestic restricted subsidiaries of the Company (the "Notes Subsidiary Guarantors"), with customary exceptions including, among other things, where providing such guarantees is not permitted by law, regulation or contract, or would result in adverse tax consequences.

Covenants

Subject to certain exceptions, the indenture governing the Notes contains restrictive covenants that, among other things, limit the ability of the Company and the Notes Subsidiary Guarantors to: (i) incur additional indebtedness or issue certain preferred stock; (ii) pay dividends on, or make distributions in respect of, their capital stock; (iii) make certain investments or other restricted payments; (iv) sell certain assets or issue capital stock of restricted subsidiaries; (v) create liens; (vi) merge, consolidate, transfer or dispose of substantially all of their assets; and (vii) engage in certain transactions with affiliates. These covenants are subject to several important limitations and exceptions that are described in the indenture.

The indenture provides for customary events of default that include, among other things (subject in certain cases to customary grace and cure periods): (i) nonpayment of principal, premium, if any, and interest, when due; (ii) failure for 60 days to comply with any obligations, covenants or agreements in the indenture after receipt of written notice from the Bank of New York Mellon, London Branch (the "Trustee") or holders of at least 30 percent in principal amount of the then outstanding Notes of such failure (other than defaults referred to in the foregoing clause (i)); (iii) default under any mortgage, indenture or instrument for money borrowed by the Company or certain of its subsidiaries; (iv) a failure to pay certain judgments; and (v) certain events of bankruptcy and insolvency. If an event of default occurs and is continuing, the Trustee or holders of at least 30 percent in principal amount of the then outstanding Notes may declare the principal, premium, if any, and accrued and unpaid interest on all the Notes to be due and payable. These events of default are subject to several important qualifications, limitations and exceptions that are described in the indenture. As of March 31, 2024, the Company was in compliance with all covenants under the indenture governing the Notes.

Senior Secured Credit Facilities

On December 15, 2022, the Company entered into a $400.0 million term loan facility (the "Term Loan Facility") pursuant to a credit agreement (the "Term Loan Credit Agreement") with Oaktree Fund Administration L.L.C., in its capacity as the administrative agent, JPMorgan Chase Bank, N.A., in its capacity as collateral agent, and other lenders party thereto. Concurrent with the execution of the Term Loan Facility, the Company entered into a $60.0 million revolving credit facility (the "Revolving Credit Facility" and, together with the Term Loan Facility, the "Senior Secured Credit Facilities" or "SSCF") pursuant to a credit agreement (the "Revolving Credit Agreement" and, together with the Term Loan Credit Agreement, the "Credit Agreements") with JPMorgan Chase Bank, N.A., in its capacity as administrative agent, collateral agent and issuing bank, and other lenders and issuing banks thereunder. The previously outstanding $107.5 million U.S. revolving credit facility and €60.0 million European revolving credit facility were terminated.

The Revolving Credit Facility and the Term Loan Facility are scheduled to mature on December 15, 2027 and December 15, 2028, respectively. However, in the event the Company has not repaid, refinanced or otherwise extended the maturity date of the Notes beyond the maturity date of the Term Loan Facility by the date 91 days prior to June 15, 2025, the Term Loan Facility and Revolving Credit Facility would mature 91 days prior to June 15, 2025. Similarly, in the event the Company has not redeemed, refinanced or otherwise extended the redemption date of the redeemable preferred stock beyond the maturity date of the Term Loan Facility by the date 91 days prior to September 14, 2025, the Term Loan Facility and Revolving Credit Facility would mature 91 days prior to September 14, 2025. The Term Loan Facility requires quarterly principal payments of $1.0 million. Additional principal payments may be due with respect to asset sales, debt issuances and as a percentage of cash flow in excess of a specified threshold.

Debt issuance costs associated with the Term Loan Facility of $11.1 million are being amortized over the six-year term. Debt issuance costs and expenses associated with the Revolving Credit Facility of $3.2 million have been recognized as a deferred charge and are being amortized over the five-year term.

The Company may at any time request one or more increases in the amount of (i) commitments under the Term Loan Facility, up to an unlimited additional amount if, on a pro forma basis after the incurrence of such amount, the First Lien Net Leverage Ratio (as defined in the Term Loan Credit Agreement) does not exceed 2.00 to 1.00 and (ii) commitments under the Revolving Credit Facility, up to an aggregate maximum additional amount of $50.0 million, in each case, subject to certain conditions (including the agreement of a lender to provide such commitment increase). Amounts borrowed under the Term Loan Facility may be voluntarily prepaid subject to a prepayment premium of 2.00 percent and 1.00 percent of the loan principal during second and third years, respectively. After the third anniversary of the closing date, there is no prepayment premium.

Borrowings under the Term Loan Credit Facility bear interest at a rate equal to, at the Company's option, either (i) the secured overnight financing rate ("SOFR"), with a floor of 1.50 percent per annum, or (ii) a base rate ("Term Base Rate"), with a floor of 1.50 percent per annum, equal to the highest of (1) the rate of interest in effect as publicly announced by the administrative agent as its prime rate, (2) the New York Federal Reserve Bank (the "NYFRB") rate plus 0.50 percent and (3) SOFR for an interest period of one month plus 1.00 percent, in each case, plus the applicable rate. The applicable rate is determined by reference to the Company's Secured Net Leverage Ratio (as defined in the Term Loan Credit Agreement) and ranges between 7.50 percent and 8.00 percent for SOFR loans (8.00 percent for the current fiscal quarter), and between 6.50 percent and 7.00 percent for Term Base Rate loans (7.00 percent for the current fiscal quarter). In the event of a payment default under the Term Loan Credit Agreement, past due amounts shall be subject to an additional default interest rate of 2.00 percent.

Borrowings under the Revolving Credit Facility bear interest at a rate equal to, at the Company's option, either (i) SOFR plus 0.10 percent (or, with respect to any borrowings denominated in euros, the adjusted Euro Interbank Offered Rate, "EURIBOR"), with a floor of 0.00 percent per annum or (ii) a base rate ("Revolving Loan Base Rate"), with a floor of 1.00 percent per annum, equal to the highest of (1) the rate of interest in effect as publicly announced by the administrative agent as its prime rate, (2) the NYFRB rate plus 0.50 percent and (3) SOFR for an interest period of one month plus 1.00 percent, in each case, plus the applicable rate. The applicable rate is determined by reference to the Company's Secured Net Leverage Ratio (as defined in the Revolving Credit Agreement) and ranges between 3.50 percent and 4.50 percent for SOFR and EURIBOR loans (3.50 percent for the current fiscal quarter), and between 2.50 percent and 3.50 percent for Revolving Base Rate loans (2.50 percent for the current fiscal quarter). The commitment fee for the unused commitment under the Revolving Credit Facility varies between 0.50 percent and 0.625 percent depending on the Company's Secured Net Leverage Ratio (0.50 percent for the current fiscal quarter). Commitment fees are included in interest expense. In the event of a payment default under the Revolving Credit Agreement, past due amounts shall be subject to an additional default interest rate of 2.00 percent.

Guarantees and Collateral Security

Our obligations under the Credit Agreements are unconditionally guaranteed by the Notes Subsidiary Guarantors and certain other domestic and foreign subsidiaries of the Company (collectively, the "SSCF Subsidiary Guarantors"), with customary exceptions including, among other things, where providing such guarantees is not permitted by law, regulation or contract or would result in adverse tax consequences. The guarantees of such obligations, are secured, subject to permitted liens and other exceptions, by substantially all of our assets and the SSCF Subsidiary Guarantors' assets, including but not limited to: (i) a perfected pledge of all of the capital stock issued by each of the SSCF Subsidiary Guarantors' (subject to certain exceptions) and (ii) perfected security interests in and mortgages on substantially all tangible and intangible personal property and material fee-owned real property of the Company and the SSCF Subsidiary Guarantors (subject to certain exceptions and exclusions). The Company's obligations under the Revolving Credit Facility are secured by liens on a super-priority basis ranking ahead of the liens securing the Term Loan Facility.

Covenants

The Credit Agreements contain a number of restrictive covenants that, among other things, restrict, subject to certain exceptions, our ability to incur additional indebtedness and guarantee indebtedness, create or incur liens, engage in mergers or consolidations, sell, transfer or otherwise dispose of assets, make investments, acquisitions, loans or advances, pay dividends, distributions or other restricted payments, or repurchase our capital stock. The Credit Agreements also restrict our ability to prepay, redeem or repurchase any subordinated indebtedness, enter into agreements which limit our ability to incur liens on our assets or that restrict the ability of restricted subsidiaries to pay dividends or make other restricted payments to us, and enter into certain transactions with our affiliates.

The Term Loan Credit Agreement requires the Company to maintain (i) a quarterly Secured Net Leverage Ratio (as defined in the Term Loan Credit Agreement) of no more than 3.50:1.00 and (ii) Liquidity (defined as the sum of unrestricted cash and cash equivalent balances and unborrowed commitments under the Revolving Credit Facility) of at least $37.5 million (subject to adjustments up to $50.0 million following any increase in the commitment under the Revolving Credit Facility). The Revolving Credit Agreement requires the Company to maintain (i) a quarterly Total Net Leverage Ratio (as defined in the Revolving Credit Agreement) of no more than 4.50:1.00; (ii) a quarterly Secured Net Leverage Ratio (as defined in the Revolving Credit Agreement) of no more than 3.50:1.00; and (iii) Liquidity of at least $37.5 million (subject to adjustments up to $50.0 million following any increase in the commitment under the Revolving Credit Facility) but only so long as loans under the Term Loan Facility are outstanding. In the event unrestricted cash and cash equivalent balances fall below $37.5 million at any quarter end (or up to a maximum of $50.0 million following any increase in borrowings available under the Revolving Credit Facility), the available commitment under the Revolving Credit Facility would be reduced by the amount of any shortfall.

The Credit Agreements contain customary default provisions that include among other things: nonpayment of principal or interest when due, failure to comply with obligations, covenants or other provisions in the Credit Agreements, any failure of representations and warranties, cross-default under other debt agreements for obligations in excess of $20.0 million, insolvency, failure to pay judgments in excess of $20.0 million within 60 days of the judicial award, failure to pay any material plan withdrawal obligations under ERISA, invalidity of the loan agreement, invalidity of any security interest in the loan collateral, change of control and failure to maintain the financial covenants. In the event a default occurs, all commitments under the Senior Secured Credit Facilities would be terminated and the lenders would be entitled to declare the principal, premium, if any, and accrued and unpaid interest on all borrowings outstanding to be due and payable.

In addition, the Credit Agreements contain customary representations and warranties and other covenants. As of March 31, 2024, the Company was in compliance with all covenants under the Credit Agreements.

Available Unused Commitments under the Revolving Credit Facility

As of March 31, 2024, the Company had no outstanding borrowings under the Revolving Credit Facility, had outstanding letters of credit of $8.4 million and had available unused commitments under the Revolving Credit Facility of $51.6 million.

Debt maturities as of March 31, 2024, which are due in the next five years are as follows:

Debt Maturities	**Amount**
(Dollars in thousands)	
Nine remaining months of 2024	$ 3,571
2025	238,554
2026	4,074
2027	4,016
2028	379,986
Total debt liabilities	$ 630,201

NOTE 10 - SUPPLIER FINANCE PROGRAM

The Company receives extended payment terms for a portion of our purchases (90 days rather than 60 days) with one of our principal aluminum suppliers in exchange for a nominal adjustment to the product pricing. The payment terms provided to us are consistent with aluminum industry norms, as well as those offered to the supplier's other customers. The supplier factors receivables due from us with a financial institution. We are not a party to the supplier's factoring agreement with the financial institution. We remit payments directly to our supplier, except with respect to product purchased under extended terms which have been factored by the supplier. These payments are remitted directly to the financial institution in accordance with the payment terms originally negotiated with our supplier. These payments are included in cash flows from operations within the condensed consolidated statements of cash flows. The following table summarizes activity in the amounts owed to the financial institution for the three months ended March 31, 2024 and March 31, 2023:

	Three Months Ended	
(Dollars in thousands)	March 31, 2024	March 31, 2023
Outstanding at the beginning of the period	18,000	14,371
Added during the period	27,995	25,299
Settled during the period	(28,780)	(21,594)
Outstanding at the end of the period	17,215	18,076

NOTE 11 - REDEEMABLE PREFERRED STOCK

During 2017, we issued 150,000 shares of Series A (140,202 shares) and Series B (9,798 shares) Perpetual Convertible Preferred Stock, par value $0.01 per share for $150.0 million. On August 30, 2017, the Series B shares were converted into Series A redeemable preferred stock (the "redeemable preferred stock") after approval by our shareholders. The redeemable preferred stock has an initial stated value of $1,000 per share, par value of $0.01 per share and liquidation preference over common stock.

The redeemable preferred stock is convertible into shares of our common stock equal to the number of shares determined by dividing the sum of the stated value and any accrued and unpaid dividends by the conversion price of $28.162. The redeemable preferred stock accrues dividends at a rate of 9.0 percent per annum, payable at our election either in-kind or in cash and is also entitled to participate in dividends on common stock in an amount equal to that which would have been due had the shares been converted into common stock.

We may mandate conversion of the redeemable preferred stock if the price of the common stock exceeds $84.49. The holder may redeem the shares upon the occurrence of any of the following events (referred to as a "redemption event"): a change in control, recapitalization, merger, sale of substantially all of the Company's assets, liquidation or delisting of the Company's common stock. In addition, the holder may unconditionally redeem the shares at any time on or after September 14, 2025. We may, at our option, redeem in whole at any time all of the shares of redeemable preferred stock outstanding. At redemption by either party, the redemption value will be the greater of two times the initial face value ($150.0 million) and any accrued unpaid dividends or dividends paid-in-kind, currently $300.0 million, or the product of the number of common shares into which the redeemable preferred stock could be converted (5.3 million shares currently) and the then current market price of the common stock. Any redemption payment would be limited to cash legally available to pay such redemption.

We have determined that the conversion option and the redemption option exercisable upon the occurrence of a "redemption event" which are embedded in the redeemable preferred stock must be accounted for separately from the redeemable preferred stock as a derivative liability.

Since the redeemable preferred stock may be redeemed at the option of the holder, but is not mandatorily redeemable, the redeemable preferred stock was classified as mezzanine equity and initially recognized at fair value of $150.0 million (the proceeds on the date of issuance), less issuance costs of $3.7 million and $10.9 million assigned to the embedded derivative liability at date of issuance, resulting in an adjusted initial value of $135.5 million.

The difference between the redemption value of the redeemable preferred stock and the carrying value (the "premium") is being accreted over the period from the date of issuance through September 14, 2025 using the effective interest method. The accretion is treated as a deemed dividend, recorded as a charge to retained earnings and deducted in computing earnings per share (analogous to the treatment for stated and participating dividends paid on the redeemable preferred shares). The cumulative premium accretion as of March 31, 2024 and December 31, 2023 was $119.5 million and $112.7 million, respectively, resulting in adjusted redeemable preferred stock balances of $255.0 million and $248.2 million, respectively.

NOTE 12 – EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income (loss), after deducting preferred dividends and accretion and European noncontrolling 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 discussed in Note 11, "Redeemable Preferred Stock" (convertible into 5,326 thousand shares) have not been included in the diluted earnings per share because the inclusion of such shares on an as converted basis would be anti-dilutive for the three months ended March 31, 2024 and 2023. In addition, the redeemable preferred shares are considered participating securities because they participate in any common share dividends. In calculating basic and diluted earnings per share, a company with participating securities must allocate earnings to the participating securities with a corresponding reduction in the earnings attributable to common shares under the two-class method. Losses are only allocated to participating securities when the security holders have a contractual obligation to share in the losses of the Company with common stockholders. Because the redeemable preferred shareholders do not have a contractual obligation to share in the Company's losses with common stockholders, the full amount of the Company's losses for the three months ended March 31, 2024 and March 31, 2023 were attributed to the common shares.

(Dollars in thousands, except per share amounts)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Basic (Loss) Earnings Per Share:		
Net loss	$ (32,749)	$ (4,047)
Less: Redeemable preferred stock dividends and accretion	(10,166)	(9,440)
Less: European non-controlling redeemable equity dividend	(7)	(10)
Basic numerator	$ (42,922)	$ (13,497)
Basic (loss) earnings per share	$ (1.52)	$ (0.49)
Weighted average shares outstanding – Basic	28,254	27,299
Diluted (Loss) Earnings Per Share:		
Net loss	$ (32,749)	$ (4,047)
Less: Redeemable preferred stock dividends and accretion	(10,166)	(9,440)
Less: European non-controlling redeemable equity dividend	(7)	(10)
Diluted numerator	$ (42,922)	$ (13,497)
Diluted (loss) earnings per share	$ (1.52)	$ (0.49)
Weighted average shares outstanding – Basic	28,254	27,299
Dilutive effect of common share equivalents	—	—
Weighted average shares outstanding – Diluted	28,254	27,299

NOTE 13 - INCOME TAXES

The estimated annual effective tax rate is forecasted quarterly using actual historical information and forward-looking estimates and applied to year-to-date ordinary income. The tax effects of unusual or infrequently occurring items, including changes in judgment about valuation allowances, settlements with taxing authorities and effects of changes in tax laws or rates, and changes due to tax restructuring are reported in the interim period in which they occur.

Income taxes for the three months ended March 31, 2024 were a $16.6 million tax provision on a pre-tax loss of $16.1, resulting in an effective income tax rate of (103.4) percent. The effective income tax rate for the three months ended March 31, 2024 differs from the statutory rate primarily due to valuation allowances, the reversal of an uncertain tax position, the mix of earnings among tax jurisdictions, and a tax charge impacting deferred tax assets related to tax restructuring of $17.8 million.

The income tax provision for the three months ended March 31, 2023 was $3.3 million on a pre-tax loss of $0.7 million, resulting in an effective income tax rate of (440.3) percent. The effective income tax rate for the three months ended March 31, 2023 differs from the statutory rate primarily due to valuation allowances, the reversal of an uncertain tax position and the mix of earnings among tax jurisdictions.

The Company continuously evaluates the realizability of our net deferred tax assets. As of March 31, 2024, certain U.S. and substantially all our German deferred tax assets, net of deferred tax liabilities, were subject to valuation allowances.

The Organization for Economic Co-operation and Development has issued Pillar Two model rules introducing a new global minimum tax of 15.0 percent effective January 1, 2024. While the United States has not yet adopted the Pillar Two rules, various other governments around the world have enacted part of the legislation. As currently designed, Pillar Two ultimately applies to our worldwide operations. Currently, enacted Pillar Two legislation does not have a material impact on our financial statements. We will continue to assess U.S. and global legislative action related to Pillar Two for potential impacts.

NOTE 14 - LEASES

The Company determines whether an arrangement is or contains a lease at the inception of the arrangement. Operating leases are included in other noncurrent assets, accrued expenses and other noncurrent liabilities in our condensed consolidated balance sheets. Finance leases are included in property, plant and equipment, net, short-term debt and long-term debt (less current portion) in our condensed consolidated balance sheets.

Right-of-use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Finance and operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of the lease payments over the lease term. Since we generally do not have access to the interest rate implicit in the lease, the Company uses our incremental borrowing rate (for fully collateralized debt) at the inception of the lease in determining the present value of the lease payments. The implicit rate is, however, used where readily available. Lease expense under operating leases is recognized on a straight-line basis over the term of the lease. Certain of our leases contain both lease and nonlease components, which are accounted for separately.

The Company has operating and finance leases for office facilities, a data center and certain equipment. The remaining terms of our leases range from over one year to five years. Certain leases include options to extend the lease term for up to ten years, as well as options to terminate, both of which have been excluded from the term of the lease since exercise of these options is not reasonably certain.

Lease expense and cash flow for the three months ended March 31, 2024 and March 31, 2023 and operating and finance lease assets and liabilities, average lease term and average discount rate as of March 31, 2024 and December 31, 2023 are as follows:

	Three Months Ended	
	March 31, 2024	March 31, 2023
(Dollars in thousands)		
Lease Expense		
Finance lease expense:		
Amortization of right-of-use assets	$ 135	$ 245
Interest on lease liabilities	6	16
Operating lease expense	827	623
Total lease expense	$ 968	$ 884
Cash Flow Components		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from finance leases	$ 6	$ 16
Operating cash outflows from operating leases	853	636
Financing cash outflows from finance leases	150	288
Right-of-use assets obtained in exchange for finance lease liabilities, net of terminations and disposals	7	396
Right-of-use assets obtained in exchange for operating lease liabilities, net of terminations and disposals	15	—

	March 31, 2024	December 31, 2023
(Dollars in thousands, except lease term and discount rate)		
Balance Sheet Information		
Operating leases:		
Other noncurrent assets	$ 9,176	$ 10,003
Accrued liabilities	$ (2,920)	$ (2,987)
Other noncurrent liabilities	(6,221)	(7,000)
Total operating lease liabilities	$ (9,141)	$ (9,987)
Finance leases:		
Property, plant and equipment gross	$ 2,308	$ 2,301
Accumulated depreciation	(1,017)	(882)
Property, plant and equipment, net	$ 1,291	$ 1,419
Current portion of long-term debt	$ (504)	$ (538)
Long-term debt (less current portion)	(433)	(586)
Total finance lease liabilities	$ (937)	$ (1,124)
Lease Term and Discount Rates		
Weighted-average remaining lease term - finance leases (years)	1.9	2.0
Weighted-average remaining lease term - operating leases (years)	3.1	3.3
Weighted-average discount rate - finance leases	2.4%	2.4%
Weighted-average discount rate - operating leases	5.0%	5.0%

Future minimum payments under our leases as of March 31, 2024 are as follows:

(Dollars in thousands)	Amount	
Lease Maturities	**Finance Leases**	**Operating Leases**
Nine remaining months of 2024	$ 504	$ 2,575
2025	357	3,048
2026	74	2,902
2027	16	1,299
2028	8	-
Total	959	9,824
Less: Imputed interest	(22)	(683)
Total lease liabilities, net of interest	$ 937	$ 9,141

NOTE 15 – RETIREMENT PLANS

We have an unfunded salary continuation plan covering certain directors, officers and other key members of management. Subject to certain vesting requirements, the plan provides for a benefit based on final average compensation, which becomes payable on the employee's death or upon attaining age 65, if retired. The plan was closed to new participants effective February 3, 2011.

For the three months ended March 31, 2024 payments to retirees or their beneficiaries totaled approximately $0.4 million. We presently anticipate benefit payments in 2024 to total $1.5 million. The following table summarizes the components of net periodic pension cost for the three months ended March 31, 2024 and March 31, 2023.

	Three Months Ended	
(Dollars in thousands)	March 31, 2024	March 31, 2023
Interest cost	$ 290	$ 304
Net amortization	1	—
Net periodic pension cost	$ 291	$ 304

NOTE 16 - STOCK-BASED COMPENSATION

Equity Incentive Plan

Our 2018 Equity Incentive Plan (the "Plan") was approved by stockholders in May 2018, authorizing us to issue up to 4.35 million shares of common stock, along with non-qualified stock options, stock appreciation rights, restricted stock units and performance restricted stock units to our officers, key employees, nonemployee directors and consultants. In May 2021 and 2023, the stockholders approved amendments to the Plan that, among other things, increased the authorized shares by 2.0 million and 3.5 million, respectively. At March 31, 2024, there were 0.9 million shares available for future grants under this Plan. It is our policy to issue shares from authorized but not issued shares upon the exercise of stock options.

Under the terms of the Plan, each year eligible participants are granted time value restricted stock units ("RSUs"), vesting ratably over a three-year period, and performance restricted stock units ("PSUs") with three-year cliff vesting. Upon vesting, each restricted stock award is exchangeable for one share of the Company's common stock, with accrued dividends.

RSU, PSU and option activity for the three months ended March 31, 2024 and March 31, 2023 is summarized in the following table:

	Equity Incentive Awards			
	Restricted Stock Units	Weighted Average Grant Date Fair Value	Performance Shares	Weighted Average Grant Date Fair Value
Balance at January 1, 2024	1,001,634	$ 4.39	2,192,759	$ 5.24
Granted	397,496	2.99	762,584	3.82
Settled	(231,037)	4.90	(605,150)	5.80
Forfeited or expired	—	—	—	—
Balance at March 31, 2024	1,168,093	$ 3.81	2,350,193	$ 4.63
Awards estimated to vest in the future	1,168,093	$ 3.81	2,350,193	$ 4.63

	Equity Incentive Awards					
	Restricted Stock Units		Weighted Average Grant Date Fair Value	Performance Shares		Weighted Average Grant Date Fair Value
Balance at January 1, 2023	896,799	$	4.16	2,323,101	$	6.26
Granted	56,818		4.40	56,818		5.39
Settled	(369,585)		4.04	(1,016,574)		5.13
Forfeited or expired	(29,853)		5.80	(34,037)		8.50
Balance at March 31, 2023	554,179	$	4.23	1,329,308	$	6.78
Awards estimated to vest in the future	554,179	$	4.23	1,329,308	$	6.78

Stock-based compensation expense for the three months ended March 31, 2024 and 2023 was $1.7 million and $0.8 million, respectively. Unrecognized stock-based compensation expense related to nonvested awards of $10.1 million is expected to be recognized over a weighted average period of approximately 2.1 years as of March 31, 2024.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Purchase Commitments

When market conditions warrant, we may enter into purchase commitments to secure the supply of certain commodities used in the manufacture of our products, such as aluminum, electricity, natural gas and other raw materials. Prices under our aluminum contracts are based on a market index and regional premiums for processing, transportation and alloy components which are adjusted quarterly for purchases in the ensuing quarter. Certain of our purchase agreements include volume commitments, however any excess commitments are generally negotiated with suppliers and those which have occurred in the past have been carried over to future periods.

Contingencies

We are party to various legal and environmental proceedings incidental to our business. Certain claims, suits and complaints arising in the ordinary course of business have been filed or are pending against us. Based on facts now known, except as provided below, we believe all such matters are adequately provided for, covered by insurance, are without merit and/or involve such amounts that would not materially adversely affect our consolidated results of operations, cash flows or financial position.

In March 2022, the German Federal Cartel Office initiated an investigation related to European light alloy wheel manufacturers, including Superior Industries Europe AG (a wholly owned subsidiary of the Company), on suspicion of conduct restricting competition. The Company is cooperating fully with the German Federal Cartel Office. In the event Superior Industries Europe AG is deemed to have violated the applicable statutes, the Company could be subject to a fine or civil proceedings. At this point, we are unable to predict the duration or the outcome of the investigation.

The Company purchases electricity and natural gas requirements for its manufacturing operations in Poland from a single energy distributor. Superior and its energy distributor, as well as the parent company of the energy distributor, have filed various claims against one another. These claims generally request the court to determine whether Superior's energy contracts with the energy distributor were valid during the period December 2021 through May 2022.

In December 2021, the Company's energy distributor informed the Company it would no longer supply energy, notwithstanding its contractual obligation to continue supply. Following a request from the Company, the court issued an injunction ordering the energy distributor to continue supplying energy and gas to the Company. In 2022, the Company obtained a final and binding judgment confirming that the original contracts with the energy distributor had not been effectively dissolved, and thus remained binding.

In September of 2022, the energy distributor's parent company filed a suit against the Company asserting that the Company's energy contracts were no longer valid and asserting that the Company owed additional amounts for its purchases between December 2021 and May 2022 equal to the excess of market prices over prices set forth in the original energy contracts. In June 2023, the Company obtained a judgment dismissing the claim in its entirety. In August 2023, the energy distributor's parent company filed an appeal. Based on recent developments at an appellate hearing, the Company has concluded that an adverse judgment is now probable of occurring. Accordingly, the Company has recognized a provision of $1.5 million which represents the low end of the estimated range of the potential loss. The remaining potential loss is immaterial.

NOTE 18 – RECEIVABLES FACTORING

The Company sells certain customer trade receivables on a non-recourse basis under factoring arrangements with designated financial institutions. These transactions are accounted for as sales and cash proceeds are included in cash provided by operating activities. Factoring arrangements incorporate customary representations and warranties, including representations as to validity of amounts due, completeness of performance obligations and absence of commercial disputes. During the three months ended March 31, 2024 and 2023, the Company sold trade receivables totaling $161.8 million and $225.3 million, respectively, and incurred factoring fees of $1.2 million and $1.0 million, respectively. As of March 31, 2024 and December 31, 2023, receivables of $98.9 million and $92.4 million, respectively, had been factored and had not yet been paid by customers to the respective financial institutions. The collective limit under our factoring arrangements was $141.2 million and $142.1 million as of March 31, 2024 and December 31, 2023 respectively.

NOTE 19 – RESTRUCTURING

During the first quarter of 2023, the Company initiated a reduction in its global workforce to better align our cost structure with lower automotive industry production levels. As a result, the Company recognized a restructuring charge of $5.3 million of separation costs, $2.8 million of which was charged to selling, general and administrative expenses and $2.5 million which was charged to cost of sales. During the second quarter of 2023, the Company recognized an additional restructuring charge of $2.5 million for separation costs which was charged to cost of sales. As of March 31, 2024, the Company had paid $3.8 million in separation costs, reduced the accrual by $1.8 million related to the deconsolidation of a subsidiary and reversed $0.7 million subsequent to recognition of the restructuring charges, resulting in a remaining accrual of $1.5 million.

NOTE 20 – RECEIVABLE FROM SPG BANKRUPTCY ESTATE

On August 31, 2023 (the "Filing Date"), the Company's wholly owned subsidiary Superior Industries Production Germany GmbH ("SPG") filed voluntary petitions for preliminary insolvency proceedings (i.e., equivalent to Chapter 11 under the U.S. Bankruptcy Code) in the Neustadt an der Weinstrasse, Germany Insolvency Court (the "Insolvency Court") seeking relief under the German Insolvency Code (the "Insolvency Code"). SPG filed motions with the Insolvency Court seeking authorization to continue to operate its business as a "debtor-in-possession" under the jurisdiction of the Insolvency Court and in accordance with the applicable provisions of the Insolvency Code and orders of the Insolvency Court. Effective as of the Filing Date, the Company no longer controlled SPG and, therefore, no longer included SPG in its consolidated financial statements. Prior to the Filing Date, SPG was included in the Company's consolidated financial statements.

On November 21, 2023, upon the request of the managing directors of SPG, the Insolvency Court ordered the withdrawal from the preliminary self-administrative insolvency proceedings and the continuation in preliminary ordinary proceedings (equivalent to Chapter 7 under the U.S. Bankruptcy Code). On December 1, 2023, the Insolvency Court passed a resolution to terminate the preliminary phase and to open ordinary insolvency proceedings with respect to SPG. These actions had no impact on the Company's consolidated financial statements due to the previously mentioned deconsolidation effective August 31, 2023.

As of March 31, 2024 and December 31, 2023, the Company's receivable due from the SPG bankruptcy estate was $14.5 million and $15.3 million, respectively, and the associated allowance was $13.8 million and $14.8 million, respectively. The resulting net receivable as of March 31, 2024 and December 31, 2023 was $0.7 million and $0.5 million, respectively, which has been included in other noncurrent assets in the Company's condensed consolidated balance sheet.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. We have included or incorporated by reference in this Quarterly Report on Form 10-Q (including in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations"), and from time to time our management may make, statements that may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based upon management's current expectations, estimates, assumptions and beliefs concerning future events and conditions and may discuss, among other things, the impact of COVID-19 and the resulting supply chain disruptions, energy costs and semiconductor chip shortages, rising interest rates, the Russian military invasion of Ukraine (the "Ukraine Conflict") and the United Auto Workers ("UAW") strike, on our future growth and earnings. Any statement that is not historical in nature is a forward-looking statement and may be identified using words and phrases such as "expects," "anticipates," "believes," "will," "will likely result," "will continue," "plans to," "could," "continue," "estimates," and similar expressions. These statements include our belief regarding general automotive industry and market conditions and growth rates, as well as general domestic and international economic conditions.

Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements and from the Company's historical results and experience. These risks, uncertainties and other factors include, but are not limited to, those described in Part I, Item 1A, "Risk Factors" and Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2023 and Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 1A "Risk Factors" and elsewhere in this Quarterly Report and those described from time to time in our other reports filed with the Securities and Exchange Commission.

Readers are cautioned that it is not possible to predict or identify all the risks, uncertainties and other factors that may affect future results and that the risks described herein should not be considered to be a complete list. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and notes thereto and with the audited consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Executive Overview

Overview of Superior

The principal business of Superior Industries International, Inc. (referred to herein as the "Company," "Superior," or "we" and "our") is the design and manufacture of aluminum wheels for sale to original equipment manufacturers ("OEMs") in North America and Europe and to the aftermarket in Europe. We employ approximately 6,800 full-time employees, operating in seven manufacturing facilities in North America and Europe. We are one of the largest aluminum wheel suppliers to global OEMs and one of the leading European aluminum wheel aftermarket manufacturers and suppliers. Our OEM aluminum wheels accounted for approximately 92 percent of our sales in the first three months of 2024 and are primarily sold for factory installation on vehicle models manufactured by BMW (including Mini), Ford, GM, Honda, Jaguar-Land Rover, Lucid Motors, Mazda, Mitsubishi, Nissan, Peugeot, Renault, Stellantis, Subaru, Suzuki, Toyota, VW Group (Volkswagen, Audi, SEAT, Skoda, Porsche, Bentley) and Volvo. We sell aluminum wheels to the European aftermarket under the brands ATS, RIAL, ALUTEC and ANZIO. North America and Europe represent the principal markets for our products, but we have a diversified global customer base consisting of North American, European and Asian OEMs.

Demand for our products is mainly driven by light vehicle production levels in North America and Europe and customer take rates on specific vehicle platforms that we serve and wheel SKUs that we produce. The majority of our customers' wheel programs are awarded two to four years before actual production is expected to begin. Our purchase orders with OEMs are typically specific to a particular vehicle model.

GM, Ford, VW Group, and Toyota each individually accounted for 10 percent or more of our consolidated sales for the three months ended March 31, 2024 and March 31, 2023. As described in Note 20, "Receivable from SPG Bankruptcy Estate" in the Notes to Condensed Consolidated financial Statements in Item 1, "Financial Statements," sales to the VW Group for the three months ended March 31, 2024 reflect the impact of the deconsolidation of the financial results of the manufacturing facility in Germany, SPG. Our sales to these customers were as follows:

Three Months Ended	March 31, 2024			March 31, 2023		
(Dollars in millions)	Percent of Sales		Dollars	Percent of Sales		Dollars
GM	23%	$	73.7	22%	$	83.0
Ford	16%	$	50.2	12%	$	46.4
VW Group	12%	$	37.6	17%	$	66.4
Toyota	10%	$	32.4	11%	$	43.5

Industry Overview, Supply Chain Disruption and Ukraine Conflict

There is a broad range of factors which impact automotive industry sales and production volumes, including consumer demand and preferences, dealer inventory levels, labor relations issues, trade agreements, cost and availability of raw materials and components, fuel prices, regulatory requirements, government initiatives, availability and cost of credit, changing consumer attitudes toward vehicle ownership and other factors. Our sales are driven generally by overall automotive industry production volumes and, more specifically, by the volumes of the vehicles for which we supply wheels. In addition, larger diameter wheels and premium finishes command higher unit prices. Larger cars and light trucks, as well as premium vehicle platforms, such as luxury, sport utility and crossover vehicles, typically employ larger diameter wheels and premium finishes.

The automotive industry was impacted by supply chain disruption which emerged as OEM vehicle production resumed and began to scale following the shutdown during the COVID-19 pandemic. In 2021 and 2022, the supply chain disruption included shortages of semiconductor chips, electric vehicle batteries, shipping containers, steel, resin and foam. The semiconductor chip shortage continued to constrain OEM vehicle production throughout 2022 and 2023, although there was some improvement in 2023. Cost inflation experienced in 2021, 2022 and 2023 has moderated somewhat but remains higher than pre-pandemic levels. In addition, the Ukraine Conflict which resulted in temporary shutdowns at certain OEM production facilities in early 2022, began to affect our production volume in March 2022 and contributed to order volatility and inflationary cost pressures. After significantly increasing in 2021 and 2022, the cost of energy moderated in 2023, although energy costs remain higher in Europe than prices prevailing prior to the pandemic and the Ukraine Conflict. While the prices under our OEM contracts are adjusted for changes in the cost of aluminum and certain other costs, our aftermarket contracts do not provide such pass through of aluminum or other costs. Future increases in raw material costs and OEM production volatility may cause our inventory levels to increase, negatively impacting our cash flows. In addition, higher interest rates have adversely affected, and will likely continue to affect our earnings and cash flow from operations due to the interest rates applicable under our $400 million Term Loan Facility.

Automotive industry production volumes in the North American and Western and Central European regions in the first three months of 2024 (as published by IHS, an automotive industry analyst), as compared to the corresponding periods of 2023 and 2022, are shown below:

Automotive Industry Production (North America and Western and Central Europe)

Three Months Ended	March 31,			2024 vs 2023	2023 vs 2022
	2024	2023	2022	% Change	% Change
(Units in thousands)					
North America	3,945	3,891	3,550	1.4%	9.6%
Western and Central Europe	3,871	4,088	3,260	(5.3%)	25.4%
Total	7,816	7,979	6,810	(2.0%)	17.2%

Automotive industry production volumes in our principal markets declined 2.0 percent in the first quarter of 2024 (declining 5.3 percent in Western and Central Europe, partially offset by an increase of 1.4 percent in North America) and were 14.0 percent lower than 2019 pre-pandemic levels. Production volumes of our key customers decreased 0.9 percent (declining 9.4 percent in Western and Central Europe, partially offset by an increase of 6.0 percent in North America).

In the first quarter of 2024, the Company's unit shipments declined 0.3 million units, or 6.1 percent, on a year-over-year basis comprised of a 17.4 percent decline in Europe, partially offset by a 2.5 percent increase in North America. The European year-over-year decrease in unit shipments was primarily attributable to the exit from an unprofitable contract with one of our customers during

2023 resulting in a decrease of 0.2 million units and the deconsolidation of SPG resulting in a decrease of 0.3 million units. This was partially offset by a 0.1 million unit increase in our aftermarket business due to improving market demand.

The IHS forecast projects that production volumes in our principal markets are expected to decline 0.5 percent in 2024 (a decline of 3.0 percent in Western and Central Europe, partially offset by a 2.1 percent increase in North America). Production volumes of our key customers are forecast to increase 0.8 percent (an increase of 4.1 percent in North America, partially offset by a decline of 3.9 percent in Western and Central Europe), according to IHS.

Sustainability

We published our 2023 Sustainability Report in December 2023. That report reflected the results of the materiality assessment we conducted in 2021 to identify the sustainability interests of our stakeholders and develop our sustainability strategy. Based on that input, we remain committed to reducing natural gas, electricity and water consumption and solid waste and air emissions at our facilities. All Superior manufacturing facilities have implemented Environmental Management Systems that are ISO14001 certified and are subject to annual audits by an independent third party.

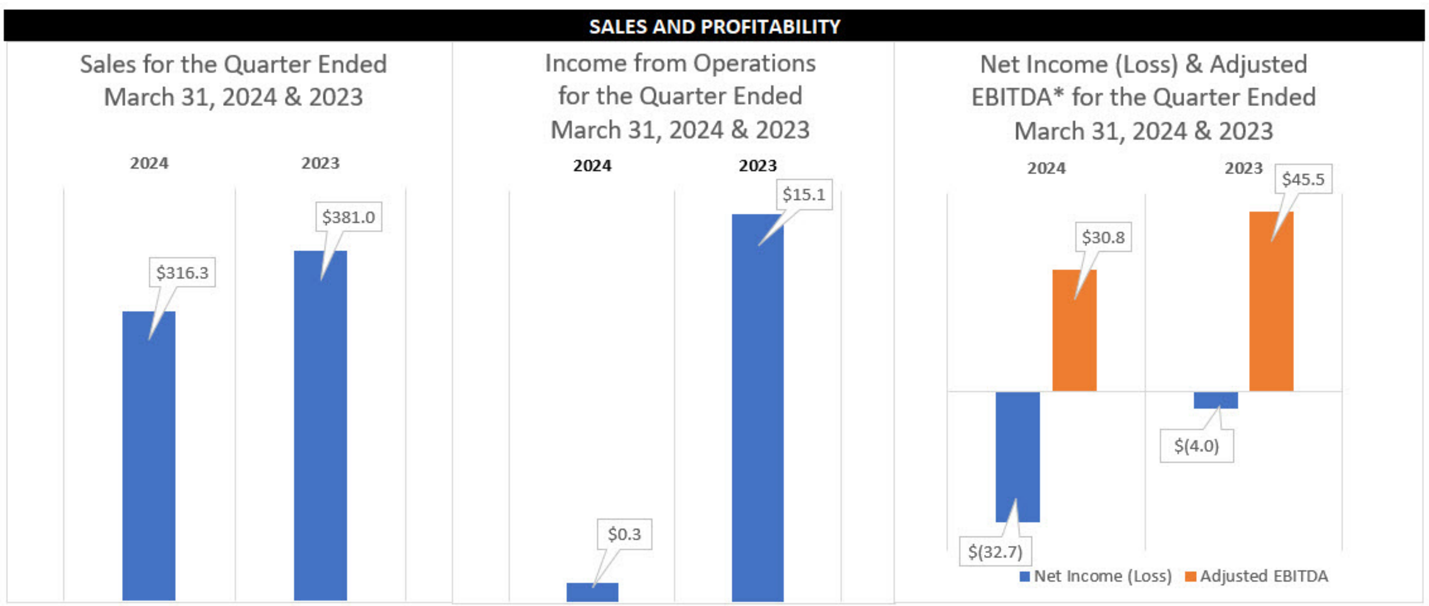
The 2023 Sustainability Report confirmed our goal to be carbon neutral by 2039 and reported the carbon footprint of our global operations. We reduced our carbon footprint by approximately 12% and our emissions per pound of aluminum shipped by 21% as compared to 2020 levels. We continue to explore opportunities to:

- reduce fuel consumption and greenhouse gas emissions and
- offer low or zero carbon wheels to our customers.

Furthermore, our research and development team continues to develop light weighting solutions, such as our patented Alulite™ technology, and aerodynamic solutions that will assist in reducing our customers' carbon footprint. We also collaborate with our customers and suppliers regarding sustainability practices throughout their supply chains.

Overview of the First Quarter of 2024

The following charts show the operational performance in the quarter ended March 31, 2024 in comparison to the quarter ended March 31, 2023 (dollars in millions):



* See Non-GAAP Financial Measures section of this quarterly report for a reconciliation of our Adjusted EBITDA to Net Income (Loss).

Results of Operations

(Dollars in thousands, except per share data)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Net Change
Net sales			
North America	$ 193,508	$ 211,618	$ (18,110)
Europe	122,768	169,348	(46,580)
Net sales	316,276	380,966	(64,690)
Cost of sales	295,130	346,388	51,258
Gross profit	21,146	34,578	(13,432)
Percentage of net sales	6.7%	9.1%	(2.4)%
Selling, general and administrative expenses	20,832	19,442	(1,390)
Income from operations	314	15,136	(14,822)
Percentage of net sales	0.1%	4.0%	(3.9)%
Interest expense, net	(15,878)	(15,698)	(180)
Other expense, net	(537)	(187)	(350)
Income tax provision	(16,648)	(3,298)	(13,350)
Net loss	$ (32,749)	$ (4,047)	$ (28,702)
Percentage of net sales	(10.4)%	(1.1)%	(9.3)%
Diluted (loss) earnings per share	$ (1.52)	$ (0.49)	$ (1.03)
Value added sales (1)	$ 172,198	$ 202,662	$ (30,464)
Value added sales adjusted for foreign exchange (1)	$ 171,330	$ 202,662	$ (31,332)
Adjusted EBITDA (2)	$ 30,849	$ 45,489	$ (14,640)
Percentage of net sales	9.8%	11.9%	(2.1)%
Percentage of value added sales	17.9%	22.4%	(4.5)%
Unit shipments in thousands	3,623	3,858	(235)

(1) Value added sales and value added sales adjusted for foreign exchange are key measures that are not calculated according to U.S. GAAP. Refer to “Non-GAAP Financial Measures” for a definition of value added sales and value added sales adjusted for foreign exchange and a reconciliation of value added sales and value added sales adjusted for foreign exchange to net sales, the most comparable U.S. GAAP measure.

(2) Adjusted EBITDA is a key measure that is not calculated according to U.S. GAAP. Refer to “Non-GAAP Financial Measures” for a definition of adjusted EBITDA and a reconciliation of our adjusted EBITDA to net income, the most comparable U.S. GAAP measure.

Shipments

Wheel unit shipments were 3.6 million for the first quarter of 2024 compared to unit shipments of 3.9 million for the same period in 2023, a decrease of 6.1 percent. The majority of the decrease was due to the decline in our European unit shipments attributable to the exit from an unprofitable contract with one of our customers during 2023 which we have not yet replaced with new business, resulting in a 0.2 million reduction in unit shipments. In addition, the deconsolidation of the financial results of the manufacturing facility in Germany, SPG, resulted in a reduction of 0.3 million unit shipments. These declines were partially offset by a substantial improvement in our aftermarket business with unit shipments increasing 0.1 million, or 72.6 percent due to improved market demand.

Net Sales

Net sales for the first quarter of 2024 were $316.3 million, compared to net sales of $381.0 million for the same period in 2023, a decrease of 17.0 percent. The decrease in net sales was primarily due to lower aluminum pass throughs to our OEM customers of $34.1 million, unfavorable pricing and product mix of $16.1 million and $15.4 million due to lower unit shipments of 0.2 million units.

Value Added Sales Adjusted for Foreign Exchange

Value added sales adjusted for foreign exchange was $171.3 million for the first quarter of 2024 compared to value added sales of $202.7 million for the same period in 2023, a decrease of 15.5 percent. The decrease was primarily due to unfavorable pricing and product mix and lower shipment volume.

Cost of Sales

Cost of sales was $295.1 million for the first quarter of 2024 compared to cost of sales of $346.4 million for the same period in 2023. The decrease in cost of sales was due to $34.6 million of lower aluminum costs, favorable conversion costs of $11.0 million and lower shipment volumes of $9.2 million.

Selling, General and Administrative Expense

Selling, general and administrative ("SG&A") expense of $20.8 million for the first quarter of 2024 increased $1.4 million compared to the same period in 2023 primarily due to advisor fees and other restructuring related costs associated with the transformation of our European business.

Net Interest Expense

Net interest expense for the first quarter of 2024 of $15.9 million was flat compared to net interest expense of $15.7 million for the same period in 2023 since the SOFR interest rate on the Term Loan Facility remained substantially unchanged.

Other Income (Expense)

Other expense was $0.5 million for the first quarter of 2024 compared to other expense of $0.2 million for the same period in 2023.

Income Tax (Provision) Benefit

The income tax provision for the first quarter of 2024 was $16.6 million on pre-tax loss of $16.1 million, representing an effective income tax rate of (103.4) percent. This differs from the statutory rate primarily due to valuation allowances, the reversal of uncertain tax position, the mix of earnings among tax jurisdictions, and a tax charge impacting deferred tax assets related to tax restructuring of $17.8 million. The income tax provision for the first quarter of 2023 was $3.3 million on a pre-tax loss of $0.7 million, representing an effective income tax rate of (440.3) percent. This differs from the statutory rate primarily due to valuation allowances, the reversal of an uncertain tax position and the mix of earnings among tax jurisdictions.

Net Income (Loss)

Net loss for the first quarter of 2024 was $32.7 million, or a $1.52 loss per diluted share, compared to a loss of $4.0 million, or a $0.49 loss per diluted share, for the same period in 2023.

Segment Sales and Income from Operations

(Dollars in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Change
Selected data			
Net sales			
North America	$ 193,508	$ 211,618	$ (18,110)
Europe	122,768	169,348	(46,580)
Total net sales	$ 316,276	$ 380,966	$ (64,690)
Income from operations			
North America	$ 8,082	$ 21,715	$ (13,633)
Europe	(7,768)	(6,579)	(1,189)
Total income from operations	$ 314	$ 15,136	$ (14,822)

North America

Net sales for our North American segment for the first quarter of 2024 decreased 8.6 percent while unit shipments increased 2.5 percent, compared to the same period in 2023. The $18.1 million decrease in net sales was primarily due to lower aluminum cost pass throughs to our OEM customers of $13.0 million and unfavorable pricing and product mix of $7.1 million, partially offset by $1.6 million due to higher unit shipments. North American segment income from operations for the first quarter of 2024 decreased by $13.6 million, as compared to the same period in 2023, primarily due to unfavorable product pricing and mix of $8.1 million and unfavorable conversion costs of $2.4 million largely because of higher labor costs.

Europe

Net sales for our European segment for the first quarter of 2024 decreased 27.5 percent while unit shipments decreased 17.4 percent compared to the same period in 2023. The $46.6 million decrease in net sales was primarily due to lower aluminum pass throughs of $21.1 million, lower unit shipments of $17.0 million and unfavorable pricing and product mix of $9.0 million. Net sales and unit shipments reflect the deconsolidation of the financial results of the manufacturing facility in Germany, SPG, and the exit of an unprofitable contract with one of our customers which has not yet been replaced with new business. The European segment loss from operations for the first quarter of 2024 was $1.2 million more than the same period in 2023. The increase in the loss from operations was primarily due to unfavorable pricing and product mix of $8.3 million and lower unit shipments of $6.8 million, largely offset by lower conversion costs of $13.4 million due to the ongoing transition of production to lower cost manufacturing facilities in Poland.

Financial Condition, Liquidity and Capital Resources

As of March 31, 2024, our cash and cash equivalents totaled $191.1 million compared to $228.6 million and $201.6 million at March 31, 2023 and December 31, 2023, respectively. Our sources of liquidity primarily include cash and cash equivalents, cash provided by operating activities, borrowings under available debt facilities, and factoring arrangements for trade receivables. Working capital (current assets minus current liabilities) and our current ratio (current assets divided by current liabilities) were $261.3 million and 2.2:1.0, respectively, at March 31, 2024, as compared to $261.0 million and 2.3:1.0 at December 31, 2023.

Our working capital requirements, investing activities and cash dividend payments have historically been funded from internally generated funds, debt facilities, cash and cash equivalents, and we believe these sources will continue to meet our future requirements for the next 12 months. Capital expenditures relate to improving production quality and efficiency and extending the useful lives of existing property and expenditures for new product offerings, as well as expanded capacity for existing products. During 2024, we expect that capital expenditures will be approximately $50.0 million.

In connection with the acquisition of our European operations, we entered into a $400.0 million term loan facility (the “Acquisition Term Loan Facility”) and a $160.0 million revolving credit facility (the “US Revolving Credit Facility”), and we issued 150,000 shares of redeemable preferred stock for $150.0 million and €250.0 million aggregate principal amount of the 6.00% Notes. In addition, we also assumed $70.7 million of outstanding debt, including a €30.0 million European revolving credit facility (the “European Revolving Credit Facility”). The acquired European business subsequently entered into equipment loan agreements totaling $13.4 million (€12.0 million).

On December 15, 2022, the Company entered into a $400.0 million term loan facility (the “Term Loan Facility”) with Oaktree Fund Administration L.L.C., in its capacity as the administrative agent, JPMorgan Chase Bank, N.A., in its capacity as collateral agent, and other lenders party thereto. The Term Loan Facility requires quarterly principal payments of $1.0 million. Additional principal payments may be due with respect to asset sales, debt issuances and as a percentage of cash flow in excess of a specified threshold. Concurrent with the issuance of the Term Loan Facility, the Company entered into a $60.0 million revolving credit facility (the “Revolving Credit Facility”) and terminated the previously outstanding $107.5 million U.S. Revolving Credit Facility and €60.0 million European Revolving Credit Facility. The $388.0 million proceeds of the borrowings under the Term Loan Facility (consisting of the $400.0 million aggregate principal less the original issuance discount of $12.0 million) were used to repay the $349.2 million balance outstanding under the Acquisition Term Loan Facility and to pay debt issuance costs and expenses incurred in connection with the Term Loan Facility and Revolving Credit Facility.

Balances outstanding under the Term Loan Facility and Notes as of March 31, 2024 were $395.0 million, $234.2 million, respectively. The balance of the redeemable preferred stock was $255.0 million as of March 31, 2024. The Revolving Credit Facility and the Term Loan Facility mature on December 15, 2027 and December 15, 2028, respectively. However, in the event the Company has not repaid, refinanced or otherwise extended the maturity of the Notes beyond the maturity date of the Term Loan Facility by the date 91 days prior to June 15, 2025, the Term Loan Facility and Revolving Credit Facility will mature 91 days prior to June 15, 2025. Similarly, in the event the Company has not redeemed, refinanced or otherwise extended the redemption date of the redeemable preferred stock beyond the maturity date of the Term Loan Facility by the date 91 days prior to September 14, 2025, the Term Loan Facility and Revolving Credit Facility will mature 91 days prior to September 14, 2025.

The redeemable preferred stock may be redeemed at the holder’s election on or after September 14, 2025 at the redemption amount, $300 million, provided the Company has cash legally available to pay such redemption. The shares of preferred stock not redeemed would continue to receive an annual dividend of 9.0 percent on the original stated value, plus any accrued and unpaid dividends, which would be paid quarterly. The Board of Directors would have to evaluate periodically the ability of the Company to make any further redemption payments until the full redemption amount has been paid.

The Company intends to repay, refinance or otherwise extend the Notes prior to their maturity and to redeem, refinance or otherwise extend the redemption date of the redeemable preferred stock. If we are unable to repay, refinance or otherwise extend the Notes or redeem, refinance or otherwise extend the redeemable preferred stock prior to their respective maturity and redemption dates, the maturity of our Term Loan Facility and Revolving Credit Facility would accelerate to a date 91 days prior to the maturity date of the

Notes or redemption date of the redeemable preferred stock (refer to Note 9 “Debt” in the Notes to Condensed Consolidated Financial Statements in Item 1, “Financial Information”).

As of March 31, 2024, the Company had no outstanding borrowings under the Revolving Credit Facility, outstanding letters of credit of $8.4 million and available unused commitments under the Revolving Credit Facility of $51.6 million. As a result, our liquidity totaled $205.2 million at March 31, 2024, consisting of cash and cash equivalents of $153.6 million ($191.1 million less the $37.5 million contractual liquidity required pursuant to the Term Loan Facility and Revolving Credit Facility) and available and unused commitments under the Revolving Credit Facility of $51.6 million.

As of March 31, 2024, we had no significant off-balance sheet arrangements other than factoring of $98.9 million of our trade receivables.

The following table summarizes the cash flows from operating, investing and financing activities as reflected in the condensed consolidated statements of cash flows.

	Three Months Ended	
Fiscal Year Ended December 31,	**March 31, 2024**	**March 31, 2023**
(Dollars in thousands)		
Net cash provided by operating activities	3,470	38,738
Net cash used in investing activities	(6,618)	(15,589)
Net cash used in financing activities	(6,548)	(9,172)
Effect of exchange rate changes on cash	(839)	1,639
Net changes in cash and cash equivalents	$ (10,535)	$ 15,616

Operating Activities

Net cash provided by operating activities was $3.5 million for the first three months of 2024 compared to net cash provided by operating activities of $38.7 million for the same period in 2023. The decrease in cash flow provided by operating activities was primarily driven by a $28.7 million higher net loss, which includes higher non-cash taxes of $14.0 million, and lower source of cash provided by trade payables of $15.9 million and other assets and liabilities of $7.2 million.

Investing Activities

Net cash used in investing activities of $6.6 million for the first three months of 2024 was lower than the $15.6 million for the same period in 2023 due to lower capital expenditures. The decrease in capital expenditures was primarily due to the completion of two capital projects related to refinishing capabilities.

Financing Activities

Net cash used in financing activities was $6.5 million for the first three months of 2024 compared to net cash used in financing activities of $9.2 million for the same period in 2023. This decrease was primarily due to a $2.2 million decrease in tax withholdings for stock-based compensation.

Non-GAAP Financial Measures

In this Quarterly Report, we discuss three important measures that are not calculated according to U.S. GAAP, value added sales, value added sales adjusted for foreign exchange and adjusted EBITDA.

Value added sales represents net sales less the value of aluminum and other costs, as well as outsourced service provider (“OSP”) costs that are included in net sales. Contractual arrangements with our customers allow us to pass on changes in aluminum and certain other costs. Value added sales adjusted for foreign exchange represents value added sales on a constant currency basis. For entities reporting in currencies other than the U.S. dollar, the current period amounts are translated using the prior year comparative period exchange rates, rather than the actual exchange rates in effect during the current period. Value added sales adjusted for foreign exchange allows users of the financial statements to consider our net sales information both with and without the aluminum, other costs and OSP costs and fluctuations in foreign exchange rates. Management utilizes value added sales adjusted for foreign exchange as a key metric in measuring and evaluating the growth of the Company because it eliminates the volatility of the cost of aluminum and changes in foreign exchange rates. Management utilizes value added sales in calculating adjusted EBITDA margin to eliminate volatility of the cost of aluminum in evaluating year-over-year margin growth.

The following table reconciles our net sales, the most directly comparable U.S. GAAP financial measure, to our value added sales and value added sales adjusted for foreign exchange:

(Dollars in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net sales	$ 316,276	$ 380,966
Less: aluminum, other costs, and outside service provider costs	(144,078)	(178,304)
Value added sales	$ 172,198	$ 202,662
Currency impact on current period value added sales	(868)	—
Value added sales adjusted for foreign exchange	$ 171,330	$ 202,662

Adjusted EBITDA is 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 the 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. We use adjusted EBITDA as an important indicator of the operating performance of our business. Adjusted EBITDA is used in our internal forecasts and models when establishing internal operating budgets, supplementing the financial results and forecasts reported to our Board of Directors and evaluating short-term and long-term operating trends in our operations. We believe the adjusted EBITDA financial measure assists in providing a more complete understanding of our underlying operational measures to manage our business, to evaluate our performance compared to prior periods and the marketplace and to establish operational goals. Adjusted EBITDA is a non-GAAP financial measure and should not be considered in isolation or as a substitute for financial information provided in accordance with U.S. GAAP. This non-GAAP financial measure may not be computed in the same manner as similarly titled measures used by other companies.

The following table reconciles our net loss, the most directly comparable U.S. GAAP financial measure, to our adjusted EBITDA:

(Dollars in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Net loss	$ (32,749)	$ (4,047)
Interest expense, net	15,878	15,698
Income tax provision	16,648	3,298
Depreciation	17,062	18,016
Amortization	4,884	4,825
Restructuring, factoring fees and other [1] [2]	9,126	7,699
Adjusted EBITDA	$ 30,849	$ 45,489
Adjusted EBITDA as a percentage of net sales	9.8%	11.9%
Adjusted EBITDA as a percentage of value added sales	17.9%	22.4%

(1) In the first quarter of 2024, we incurred $1.2 million of accounts receivable factoring fees and $7.9 million of restructuring costs, primarily advisory fees.
(2) In the first quarter of 2023, we incurred $1.0 million of accounts receivable factoring fees, $5.3 million of separation costs and $1.4 million of other costs.

Critical Accounting Policies and Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to apply significant judgment in making estimates and assumptions that affect amounts reported therein, as well as financial information included in this Management's Discussion and Analysis of Financial Condition and Results of Operations. These estimates and assumptions, which are based upon historical experience, industry trends, terms of various past and present agreements and contracts, and information available from other sources that are believed to be reasonable under the circumstances, form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent through other sources. We believe the accounting estimates employed are appropriate and the resulting balances are reasonable; however, due to the inherent uncertainties in developing estimates, actual results could differ from the original estimates, requiring adjustments to these balances in future periods. Critical accounting estimates that affect the condensed consolidated financial statements and the judgments and assumptions used are consistent with those described in the management's discussion and analysis in our 2023 Form 10-K (refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2023).

Item 3. Quantitative and Qualitative Disclosures about Market Risk

As a smaller reporting company, as defined in Rule 10(f)(1) of Regulation S-K under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), the Company is not required to provide the information required by this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2024. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2024 our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the three months ended March 31, 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

We are party to various legal and environmental proceedings incidental to our business. Certain claims, suits and complaints arising in the ordinary course of business have been filed or are pending against us. Based on facts now known, except as provided below, we believe all such matters are adequately provided for, covered by insurance, are without merit, and/or involve such amounts that would not materially adversely affect our consolidated results of operations, cash flows or financial position.

In March 2022, the German Federal Cartel Office initiated an investigation related to European light alloy wheel manufacturers, including Superior Industries Europe AG (a wholly owned subsidiary of the Company), on suspicion of conduct restricting competition. The Company is cooperating fully with the German Federal Cartel Office. In the event Superior Industries Europe AG is deemed to have violated the applicable statutes, the Company could be subject to a fine or civil proceedings. At this point, we are unable to predict the duration or the outcome of the investigation.

On August 31, 2023 (the "Filing Date"), the Company's wholly owned subsidiary Superior Industries Production Germany GmbH ("SPG") filed voluntary petitions for preliminary insolvency proceedings (equivalent to Chapter 11 under the U.S. Bankruptcy Code) in the Neustadt an der Weinstrasse, Germany Insolvency Court (the "Insolvency Court") seeking relief under the German Insolvency Code (the "Insolvency Code"). SPG filed motions with the Insolvency Court seeking authorization to continue to operate its business as a "debtor-in-possession" under the jurisdiction of the Insolvency Court and in accordance with the applicable provisions of the Insolvency Code and orders of the Insolvency Court. On November 21, 2023, upon the request of the managing directors of SPG, the Insolvency Court ordered the withdrawal from the preliminary self-administrative insolvency proceedings and the continuation in preliminary ordinary proceedings (equivalent to Chapter 7 under the U.S. Bankruptcy Code). On December 1, 2023, the Insolvency Court passed a resolution to terminate the preliminary phase and to open ordinary insolvency proceedings with respect to SPG.

Refer also to Item 1A, "Risk Factors" "We are from time to time subject to litigation, which could adversely affect our results of operations, financial condition or cash flows" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 1A. Risk Factors

See Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

31.1	Chief Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.**
31.2	Chief Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002.**
32.1	Certification of Majdi B. Abulaban, President and Chief Executive Officer, and C. Timothy Trenary, Executive Vice President, Chief Financial Officer and Interim Principal Accounting Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**†
101.INS	Inline XBRL Instance Document. ****
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbases Document. ****
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document). ****

** Filed herewith.

**** Submitted electronically with the report.

† These certifications are furnished to the SEC pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SUPERIOR INDUSTRIES INTERNATIONAL, INC.
(Registrant)

Date: May 2, 2024	/s/ Majdi B. Abulaban Majdi B. Abulaban President and Chief Executive Officer
Date: May 2, 2024	/s/ C. Timothy Trenary C. Timothy Trenary Executive Vice President, Chief Financial Officer and Interim Principal Accounting Officer

EXHIBIT 31.1

CERTIFICATION
PURSUANT TO EXCHANGE ACT RULES 13a-14(a)
AND 15d-14(a), AS ADOPTED PURSUANT TO
SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, Majdi B. Abulaban, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Superior Industries International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation; and

    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 2, 2024

/s/ Majdi B. Abulaban
Majdi B. Abulaban
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION
PURSUANT TO EXCHANGE ACT RULES 13a-14(a)
AND 15d-14(a), AS ADOPTED PURSUANT TO
SECTION 302(a) OF THE SARBANES-OXLEY ACT OF 2002

I, C. Timothy Trenary, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Superior Industries International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by the report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 2, 2024

/s/ C. Timothy Trenary
C. Timothy Trenary
Executive Vice President, Chief Financial Officer
and Interim Principal Accounting Officer

EXHIBIT 32.1

CERTIFICATION
PURSUANT TO 18
U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned hereby certify, in their capacities as officers of Superior Industries International, Inc. (the “company”), for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of their knowledge:

- The Quarterly Report of the company on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

- The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the company.

Dated: May 2, 2024

/s/ Majdi B. Abulaban
Name: Majdi B. Abulaban
Title: President and Chief Executive Officer

Date: May 2, 2024

/s/ C. Timothy Trenary
Name: C. Timothy Trenary
Title: Executive Vice President, Chief Financial Officer and Interim Principal Accounting Officer