



# First Quarter 2015 Results

May 7, 2015



# Forward-Looking Statements and Risk Factors

This presentation contains statements which constitute forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to statements regarding near-term and longer-term prospects and the outlook for revenue, revenue CAGR, Adjusted EBITDA, EBITDA Margin, Adjusted EPS, Adjusted Free Cash Flow, leverage, and the anticipated impact of major new business wins. The forward-looking statements can be identified by words such as “anticipate,” “believe,” “plan,” “estimate,” “expect,” “intend,” “project,” “target,” and other similar expressions. Forward-looking statements are made as of the date of this presentation and are based upon management’s current expectations and beliefs concerning future developments and their potential effects on us. Such forward-looking statements are not guarantees of future performance. The following important factors, as well as risk factors described in our reports filed with the SEC, could cause our actual results to differ materially from estimates or expectations reflected in such forward-looking statements:

- global automobile production volumes;
- the financial condition of our customers and suppliers;
- our ability to make scheduled payments of principal or interest on our indebtedness and comply with the covenants and restrictions contained in the instruments governing our indebtedness;
- our ability to refinance our indebtedness;
- risks associated with our non-U.S. operations, including foreign exchange risks and economic uncertainty in some regions;
- any increase in the expense and funding requirements of our pension and other postretirement benefits;
- our customers’ ability to obtain equity and debt financing for their businesses;
- our dependence on our largest customers;
- pricing pressure from our customers;
- work stoppages or other labor issues affecting us or our customers or suppliers;
- our ability to integrate acquired businesses;
- risks associated with business divestitures; and
- costs or liabilities relating to environmental and safety regulations

We do not assume any obligation to update or revise the forward-looking statements contained in this presentation.

# Key Take-Aways

---

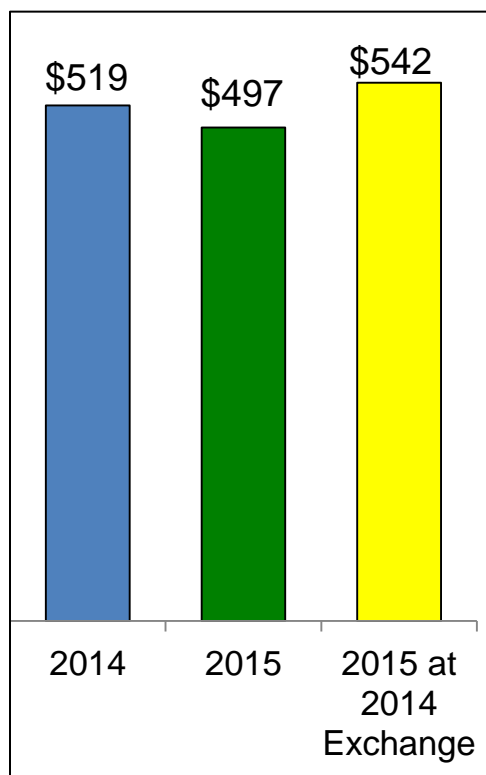
- In a choppy First Quarter environment, Tower's results were ok on balance.
  - Revenue a bit lighter than previously anticipated;
  - Adjusted EBITDA and free cash flow in line with our expectations; and
  - Adjusted EPS much better.
- Our 2015 full year outlook is being adjusted for currency, Brazil, and new business.
- **The Company's growth outlook has been further bolstered by our third major new business announcement in the past 15 months.**
- In addition to deploying cash flow to support accretive growth (Priority 1A), we are also continuing to reduce leverage (Priority 1B).

# Total Company

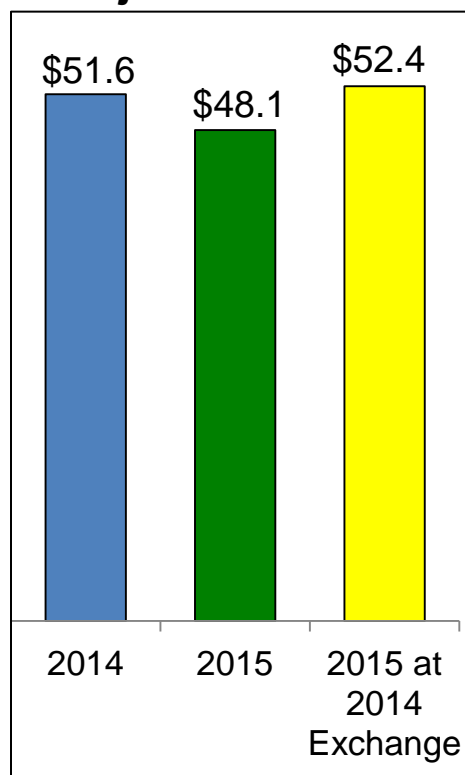
## First Quarter Financials - - 2015 vs. 2014

(in \$ millions, except EPS)

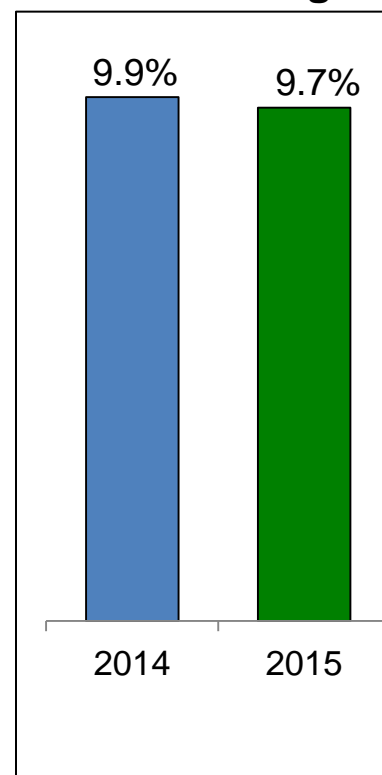
### Revenue



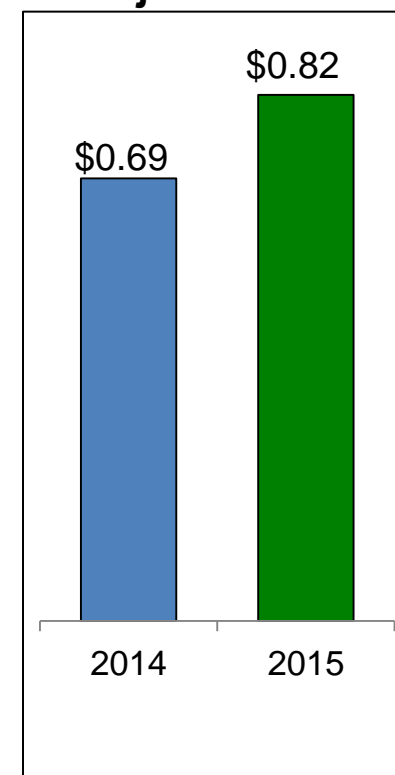
### Adjusted EBITDA



### EBITDA Margin



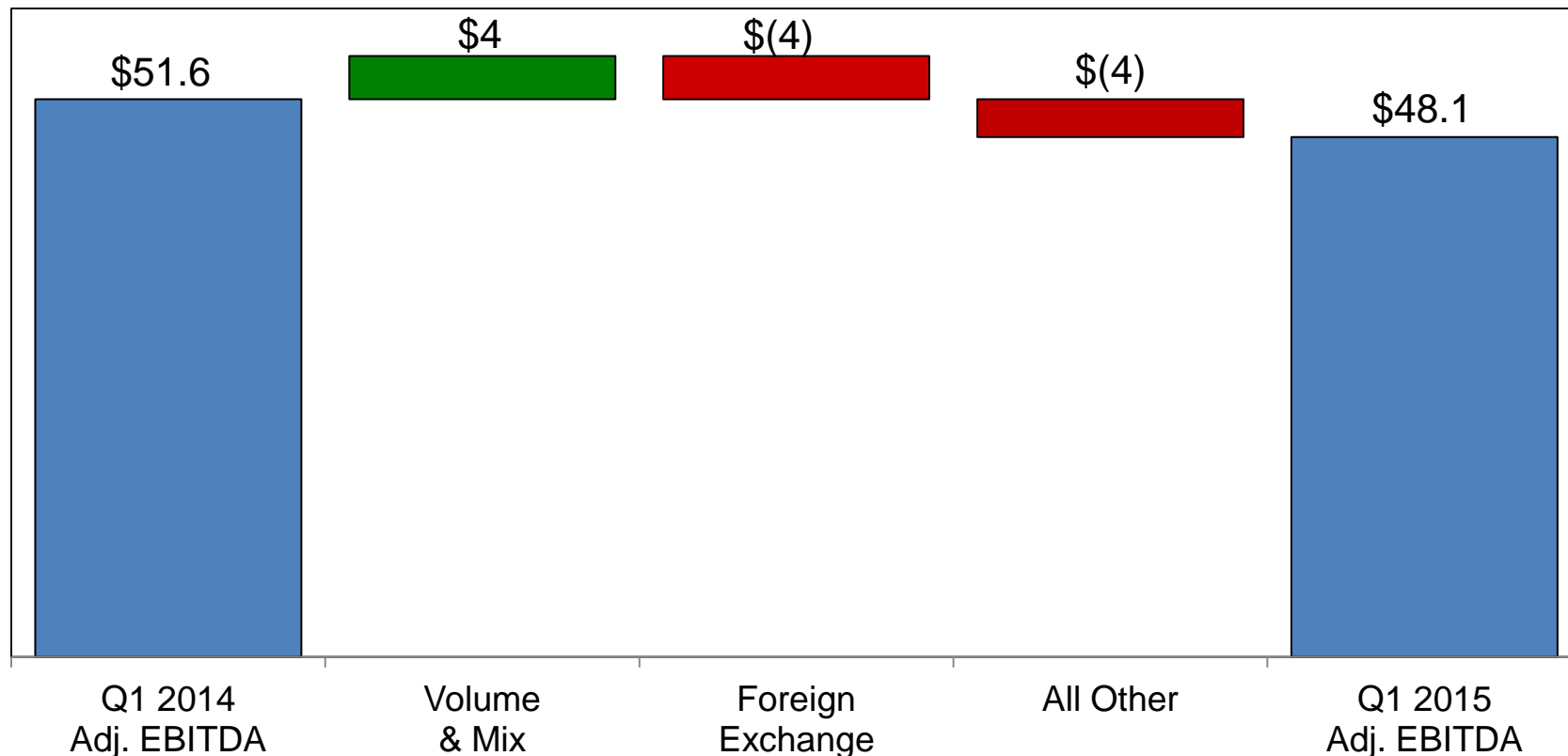
### Adjusted EPS



# Total Company

## Q1 2015 Adjusted EBITDA Compared With 2014

(in \$ millions)



- Favorable volume and mix vs. a year ago was largely explained by North America; improvements in Europe and China offset a decline in Brazil.
- Unfavorable dollar translation reflected the weaker Euro and Real.
- First Quarter net cost performance was in line with guidance, with calendarization timing of efficiencies vs. pricing, economics, and other cost factors unfavorable vs. a year ago.

# First Quarter 2015 Adjusted Free Cash Flow

(in \$ millions)

	<b>Q1</b> <b>2015</b>
Adjusted EBITDA	\$ 48
Capital Expenditures	(10)
Cash Interest	(5)
Cash Taxes	(1)
Working Capital & Other (ex-tooling)	<u>(38)</u>
<b>Adjusted Free Cash Flow</b>	<b>\$ (6)</b>
Customer Tooling*	<u>(10)</u>
Total Free Cash Flow	<u><u>\$ (16)</u></u>
Memo: Cash Gains on Debt Swaps	
Not Included in Free Cash Flow	<b>\$ 32</b>

-----  
\* Customer tooling is excluded from adjusted free cash flow because it nets to zero for each program, but fluctuates during quarters and years based on timing of company outlays and customer reimbursements.

# Quarter-End Net Debt and Leverage

(in \$ millions)

	<u>Mar. 31, 2015</u>	<u>B/(W) Than Dec. 31, 2014</u>
<b><u>Net Debt</u></b>		
Cash	\$ 112*	\$ (20)
Gross Debt	<u>(463)</u>	<u>33</u>
Net Debt	<u>\$ (351)*</u>	<b><u>\$ 13</u></b>
<b><u>Debt-to-LTM Adj. EBITDA</u></b>		
Gross	2.3X	0.1X
Net	1.7X	<b>0.1X</b>

-----  
 \*Excludes \$18 million of cash attributable to discontinued operations

# Third Major New Business in 15 Months!

(in approximate \$ millions)

	Projected Ongoing Annual Revenue	Capex Plus Launch	Projected Ongoing Annual Adj. EBITDA
<b><u>Previously Announced</u></b>			
Feb. 2014	\$ 100	\$ 25	
Feb. 2015	\$ 100	\$ 45	
<b><u>This Award</u></b>			
May 2015	<u>\$70-140</u>	<u>\$30-55</u>	
<b>Total Recent Major Awards</b>	<u><u>\$270-340</u></u>	<u><u>\$100-125</u></u>	\$40-50
<b>Memo: Percent of Revenue</b>		<b>37%</b>	<b>15%</b>
<b>"Acquisition Multiple" **</b>		<b>2.5X</b>	

-----  
\*About \$5 million of projected revenue in 2015 and \$70 million in 2016

\*\*Capex plus launch vs. ongoing Adjusted EBITDA

**The series of major awards won in the last 15 months reinforces the Company's view that, with an improved balance sheet and sustained positive cash flow, we can consistently convert our strong competitive capabilities into above-industry profitable growth.**

- **With this booked business (plus anticipated replacement and high-confidence wins), we presently project an organic revenue CAGR of 6-8% from 2015-2018 for our North American business.**



# Updated 2015 Guidance

(in \$ millions, except EPS)

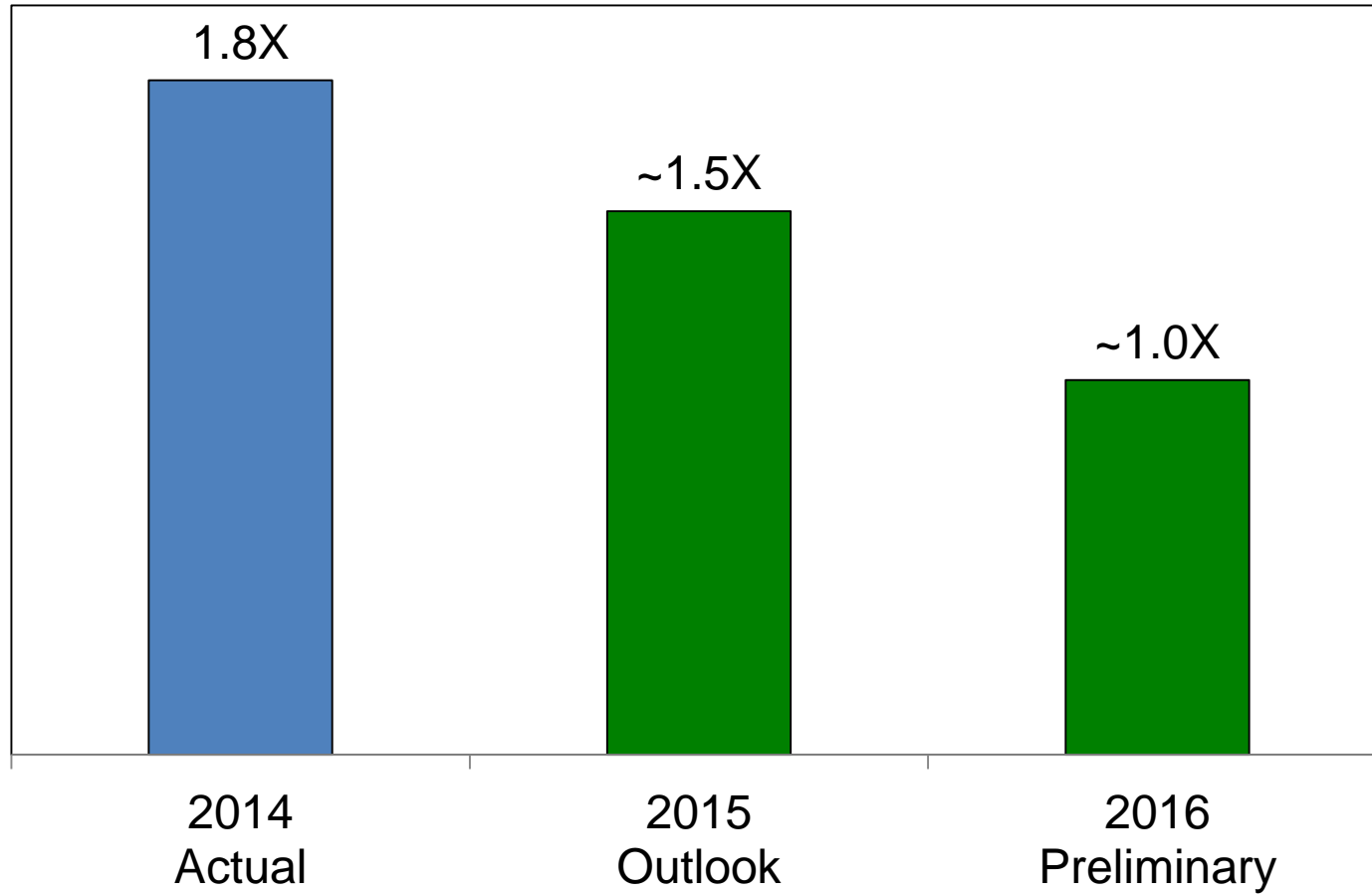
	<u>Revenue</u>	<u>Adjusted EBITDA</u>	<u>Adjusted EPS</u>	<u>Adjusted Free Cash Flow</u>
<b>Initial Guidance</b>	<b>\$ 2,000</b>	<b>\$ 200</b>	<b>\$ 3.10</b>	<b>\$ 60</b>
<b><u>Summary Changes</u></b>				
Dollar translation*	(45)	(4)	(0.13)	(4)
Lower Brazil volume	(15)	(4)	(0.18)	(4)
Major new business award	5	(3)	(0.14)	(30)
Other (net)	<u>5</u>	<u>1</u>	<u>0.50</u>	<u>3</u>
<b>Present Guidance*</b>	<b><u>\$ 1,950</u></b>	<b><u>\$ 190</u></b>	<b><u>\$ 3.15</u></b>	<b><u>\$ 25</u></b>
<b>- Incl. Debt Swap Cash Gains</b>				<b>\$ 57</b>
<b>Memo: Q2 Guidance</b>	<b>\$ 490</b>	<b>\$ 52</b>	<b>\$ 1.00</b>	

-----

\*With Q2-Q4 Euro at \$1.05 and Brazil real at 3.25/\$

# Cash Flow is Strong Enough to Fund Increased Growth AND Continue Reducing Leverage

(Year-End Net Debt-to-Adjusted EBITDA)



**Tower has been ranked #1  
on Forbes' 2015 list of  
“Most Trustworthy Companies”\***

-----

\* Tower was one of four companies tied with top score out of 5,500 North American public companies.

# APPENDIX

# Non-GAAP Financial Measures

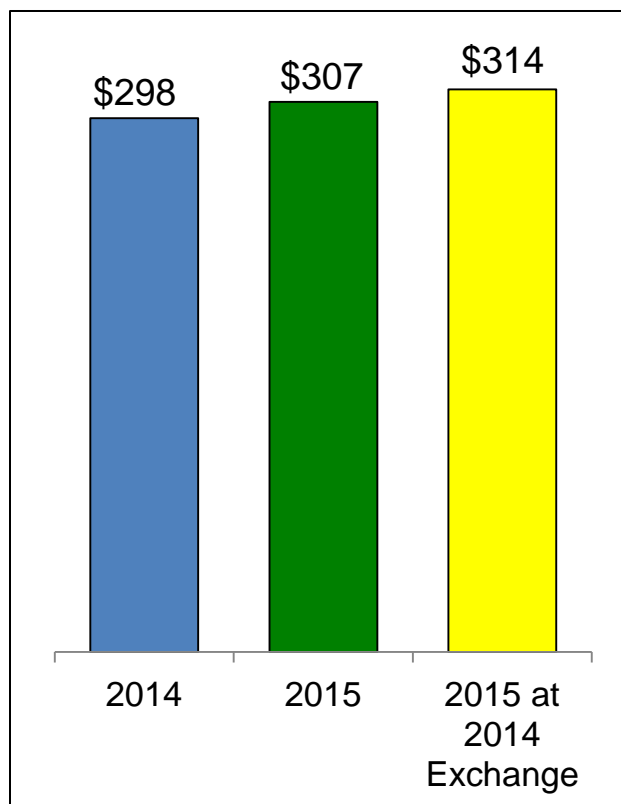
---

This presentation includes the following non-GAAP financial measures: “Adjusted EBITDA”, “Adjusted EBITDA margin”, “Adjusted Earnings Per Share (EPS)”, “free cash flow”, “adjusted free cash flow” and “net debt.” We define Adjusted EBITDA as net income / (loss) before interest, taxes, depreciation, amortization, restructuring items and other adjustments described in the reconciliations provided in this presentation. Adjusted EBITDA margin represents Adjusted EBITDA divided by revenues. Adjusted Earnings Per Share exclude certain income and expense items described in the reconciliation provided in this presentation. Free cash flow is defined as cash provided by operating activities less cash disbursed for purchases of property, plant and equipment. Adjusted free cash flow is free cash flow excluding cash received or disbursed for customer tooling. Net debt represents total debt less cash and cash equivalents. We use Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Earnings Per Share, free cash flow, adjusted free cash flow and net debt as supplements to information provided in accordance with generally accepted accounting principles (“GAAP”) in evaluating our business and they are included in this presentation because they are principal factors upon which our management assesses performance. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP are set forth below. The non-GAAP measures presented above are not measures of performance under GAAP. These measures should not be considered as alternatives for the most directly comparable financial measures calculated in accordance with GAAP. Other companies in our industry may define these non-GAAP measures differently than we do and, as a result, these non-GAAP measures may not be comparable to similarly titled measures used by other companies in our industry; and certain of our non-GAAP financial measures exclude financial information that some may consider important in evaluating our performance. Given the inherent uncertainty regarding special items and other expense in any future period, a reconciliation of forward-looking financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is not feasible. The magnitude of these items, however, may be significant.

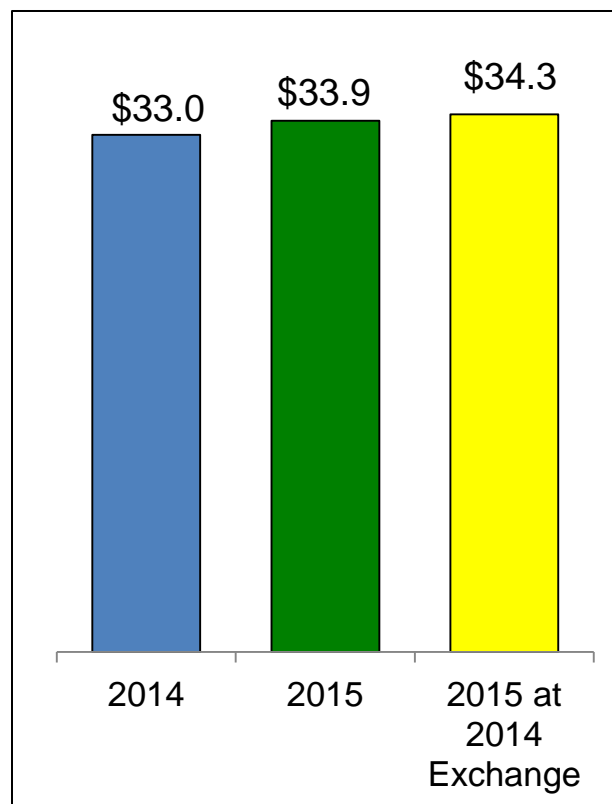
# Americas Segment - - Q1 2015 vs. Q1 2014

(in \$ millions)

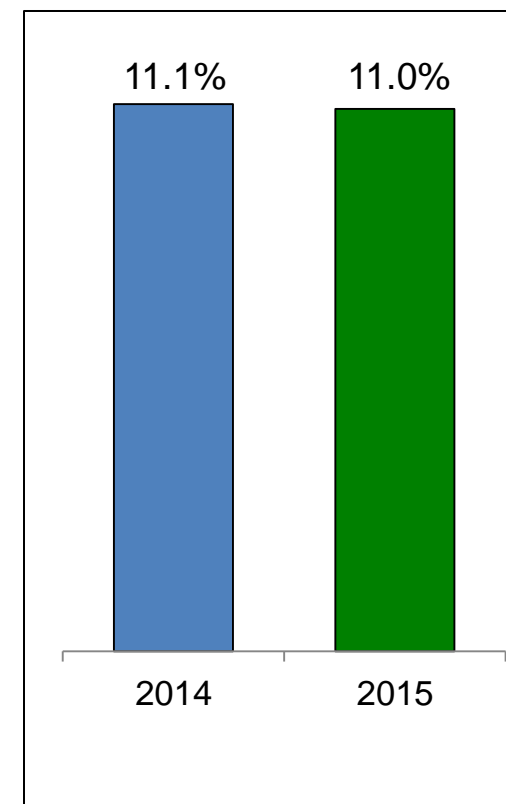
**Revenue**



**Adjusted EBITDA**

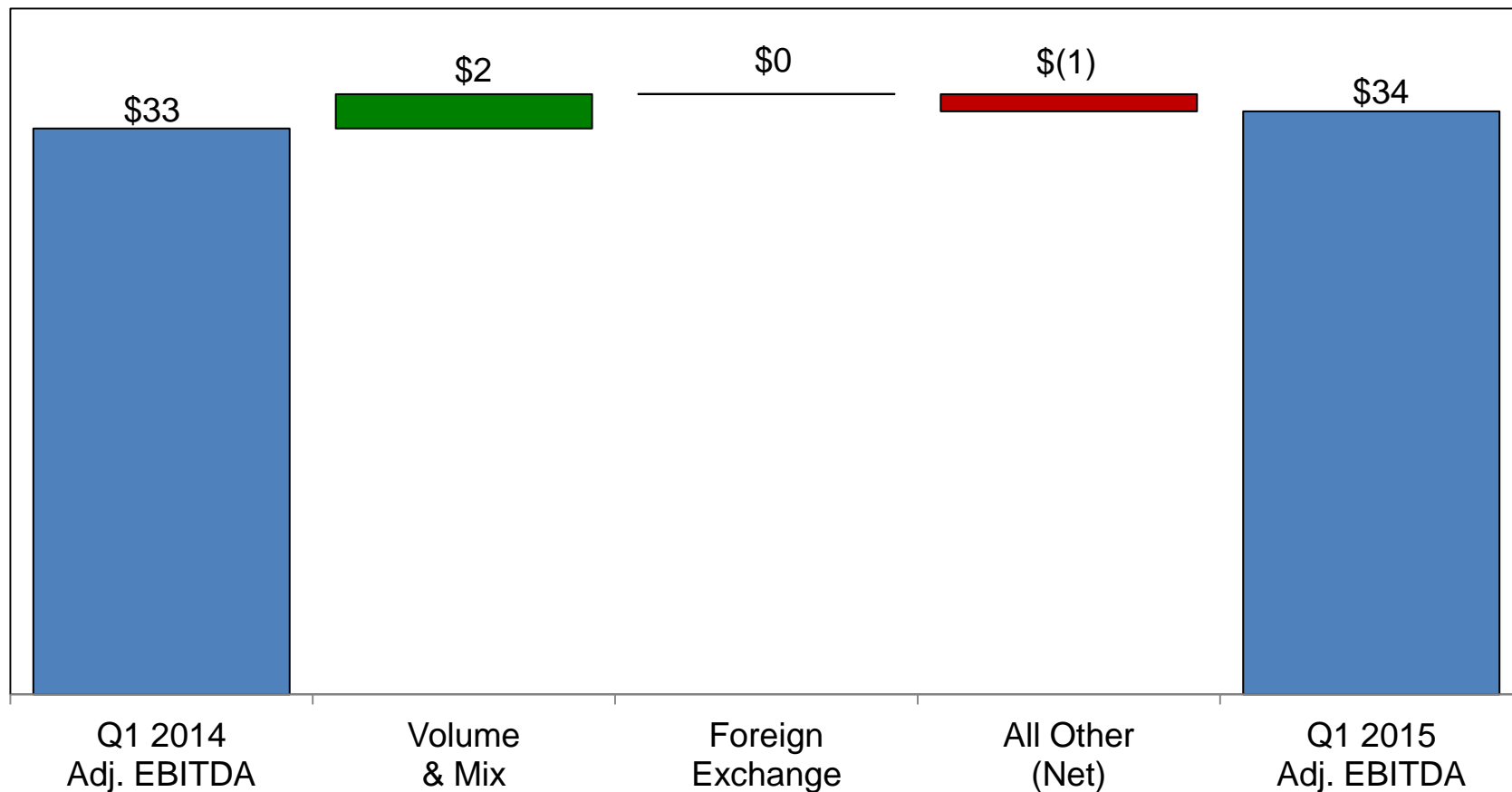


**EBITDA Margin**



## Q1 2015 Adjusted EBITDA Compared With Q1 2014

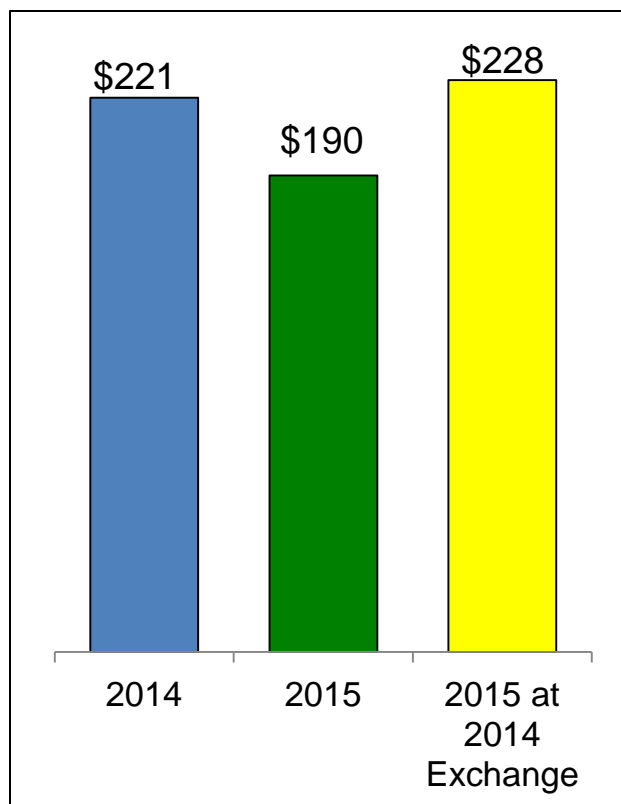
(in \$ millions)



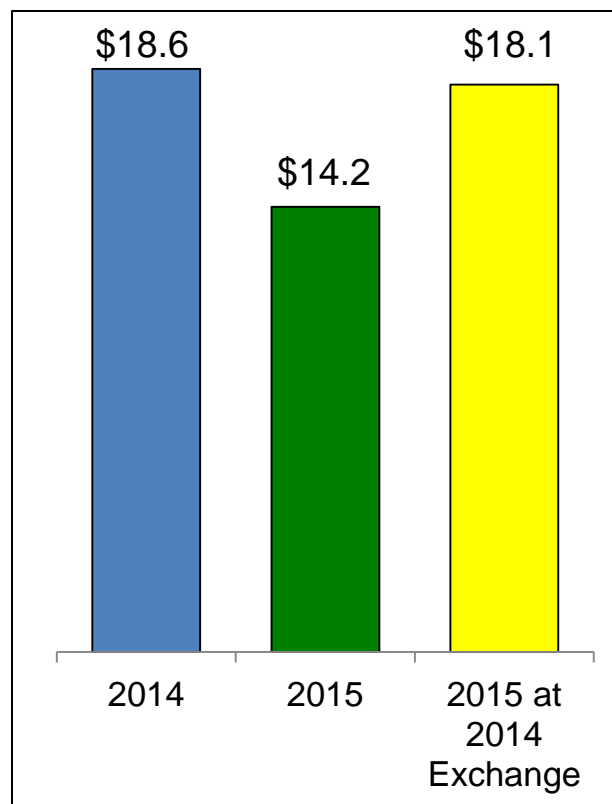
# International Segment - - Q1 2015 vs. Q1 2014

(in \$ millions)

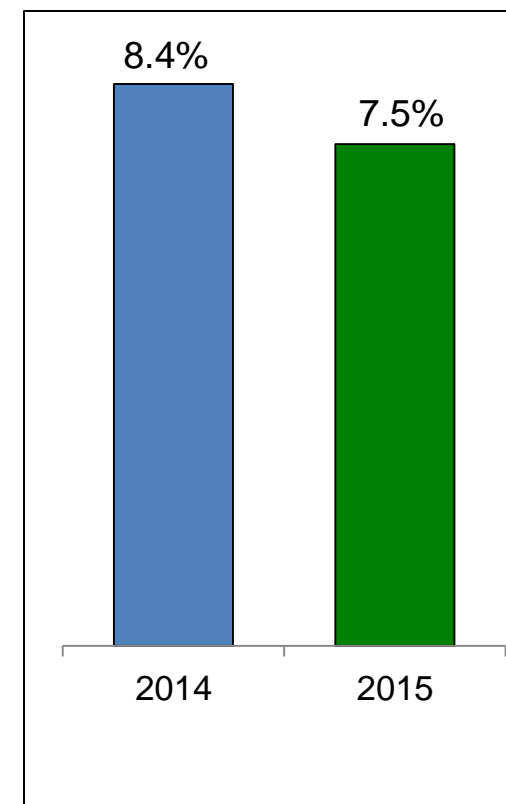
**Revenue**



**Adjusted EBITDA**



**EBITDA Margin**

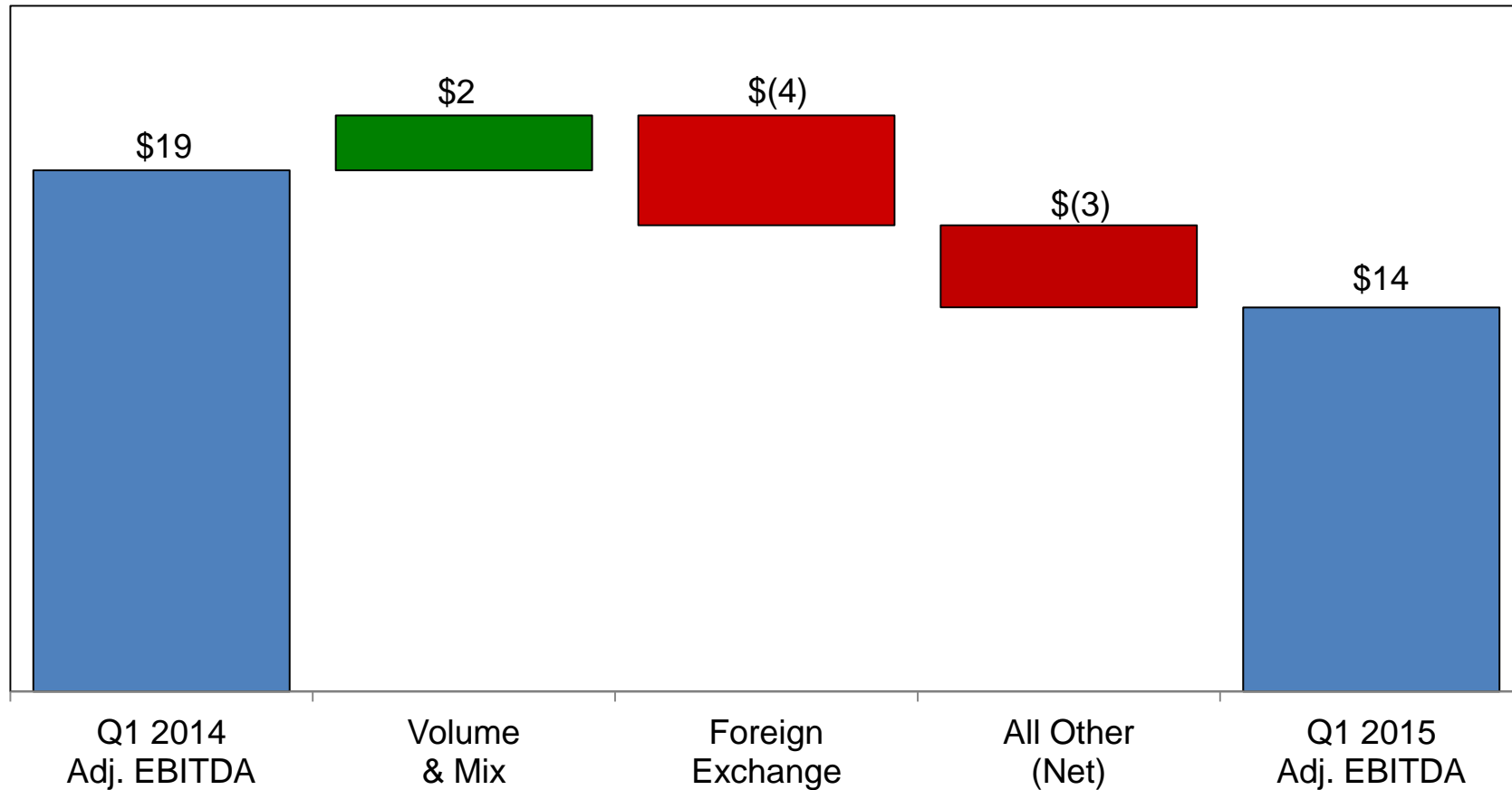




# International

## Q1 2015 Adjusted EBITDA Compared With Q1 2014

(in \$ millions)



# Income Statement

(in \$ millions)

	<b>Three Months Ended Mar. 31,</b>	
	<b>2015</b>	<b>2014</b>
Revenues	\$ 496.6	\$ 519.3
Cost of sales	440.1	458.5
Gross profit	56.5	60.8
Selling, general, and administrative expenses	31.5	34.1
Amortization expense	-	0.7
Restructuring and asset impairment charges, net	1.0	1.4
Operating income	23.9	24.6
Interest expense	7.9	7.2
Interest income	0.1	0.1
Other expense	-	0.1
Income before provision for income taxes and equity in profit / (loss) of joint venture	16.2	17.5
Provision for income taxes	2.1	2.8
Equity in profit / (loss) of joint venture, net of tax	0.1	(0.2)
Income from continuing operations	14.2	14.5
Income / (loss) from discontinued operations, net of tax	(0.1)	0.8
Net income	14.1	15.3
Less: Net income attributable to the noncontrolling interests	0.1	0.4
Net income attributable to Tower International, Inc.	\$ 14.0	\$ 14.9

# Balance Sheet

(in \$ millions)	<u>Mar. 31,</u> <u>2015</u>	<u>Dec. 31,</u> <u>2014</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 130.7	\$ 148.6
Accounts receivable, net of allowance of \$1.7 and \$1.2	288.5	230.4
Inventories	72.5	69.8
Deferred tax asset - current	6.5	6.9
Assets held for sale	132.4	141.3
Prepaid tooling, notes receivable, and other	42.0	42.0
Total current assets	<u>672.7</u>	<u>638.9</u>
Property, plant, and equipment, net	412.3	451.1
Goodwill	50.3	56.7
Investment in joint venture	7.8	7.8
Deferred tax asset - non-current	3.5	3.6
Other assets, net	20.3	24.8
Total assets	<u>\$ 1,167.0</u>	<u>\$ 1,182.9</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Short-term debt and current maturities of capital lease obligations	\$ 28.5	\$ 31.1
Accounts payable	266.9	257.0
Accrued liabilities	121.6	105.8
Liabilities held for sale	61.9	67.7
Total current liabilities	<u>478.9</u>	<u>461.6</u>
Long-term debt, net of current maturities	428.2	457.2
Obligations under capital leases, net of current maturities	6.6	7.7
Deferred tax liability - non-current	12.0	13.0
Pension liability	64.9	68.6
Other non-current liabilities	78.2	75.0
Total non-current liabilities	<u>590.0</u>	<u>621.5</u>
Total liabilities	<u>1,069.0</u>	<u>1,083.1</u>
Stockholders' equity:		
Tower International, Inc.'s stockholders' equity		
Preferred stock, \$0.01 par value, 50,000,000 authorized and 0 issued and outstanding	-	-
Common stock, \$0.01 par value, 350,000,000 authorized, 21,994,275 issued and 21,102,814 outstanding at March 31, 2015 and 21,393,592 issued and 20,752,226 outstanding at December 31, 2014	0.2	0.2
Additional paid in capital	336.2	335.3
Treasury stock, at cost, 891,461 and 641,366 shares as of March 31, 2015 and December 31, 2014	(16.0)	(9.5)
Accumulated deficit	(221.9)	(236.0)
Accumulated other comprehensive loss	(57.1)	(46.9)
Total Tower International, Inc.'s stockholders' equity	<u>41.3</u>	<u>43.2</u>
Noncontrolling interests in subsidiaries*	56.7	56.6
Total stockholders' equity	<u>98.0</u>	<u>99.8</u>
Total liabilities and stockholders' equity	<u>\$ 1,167.0</u>	<u>\$ 1,182.9</u>

\* Balances include \$47.2 million and \$47.2 million minority interest attributable to discontinued operations, respectively.

# Consolidated Statement of Cash Flows

(in \$ millions)

	Three Months Ended Mar. 31,	
	2015	2014
<b>Cash flows - operating activities</b>		
Net income	\$ 14.1	\$ 15.3
Less: Income / (loss) from discontinued operations, net of tax	(0.1)	0.8
Income from continuing operations	\$ 14.2	\$ 14.5
Premium on notes redemption and other fees	-	0
Deferred income tax provision	0.2	0.3
Depreciation and amortization	19.9	22.9
Non-cash share-based compensation	1.0	1.2
Pension income, net of contributions	(3.8)	(3.8)
Change in working capital and other operating items	(38.3)	(19.9)
<b>Net cash provided by / (used in) continuing operating activities</b>	\$ (6.8)	\$ 15.2
<b>Cash flows - investing activities</b>		
Cash disbursed for purchases of property, plant, and equipment, net	\$ (9.6)	\$ (8.7)
Investment in joint venture	-	(0.8)
<b>Net cash used in continuing investing activities</b>	\$ (9.6)	\$ (9.4)
<b>Cash flows - financing activities</b>		
Proceeds from borrowings	\$ 30.5	\$ 34.4
Repayments of borrowings	(56.8)	(26.8)
Proceeds from borrowings on Term Loan Credit Facility	-	33.1
Debt financing costs	-	(0.9)
Proceeds from termination of cross currency swap	32.4	-
Secondary stock offering transaction costs	-	(0.1)
Proceeds from stock options exercised	0.1	0.7
Purchase of treasury stock	(6.5)	(0.9)
Noncontrolling interest dividends	-	(2.1)
<b>Net cash provided by / (used in) continuing financing activities</b>	\$ (0.4)	\$ 37.4
Discontinued operations:		
Net cash from discontinued operating activities	\$ 9.4	\$ 0.9
Net cash from discontinued investing activities	(4.5)	8.6
Net cash from discontinued financing activities	(2.8)	(1.5)
Net cash from discontinued operations	\$ 2.1	\$ 8.0
<b>Net change in cash and cash equivalents</b>	\$ (14.6)	\$ 51.1
Cash and cash equivalents - beginning of period	148.6	134.9
Effect of exchange rate changes on cash and cash equivalents	(3.2)	(0.7)
<b>Cash and cash equivalents - end of period</b>	\$ 130.7	\$ 185.3

# Adjusted EBITDA Reconciliation to GAAP

(in \$ millions)

	2014					2015
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year	First Quarter
<b>Adjusted EBITDA</b>	\$ 51.6	\$ 55.2	\$ 48.6	\$ 48.8	\$ 204.2	\$ 48.1
Restructuring and asset impairments charges, net	(1.4)	(4.7)	(1.4)	(6.7)	(14.2)	(1.0)
Depreciation and amortization	(22.9)	(22.7)	(20.9)	(20.7)	(87.2)	(19.9)
Acquisition costs and other	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)
Long-term compensation expense	(2.6)	(2.2)	(3.1)	(3.4)	(11.3)	(3.1)
Interest expense, net	(7.0)	(7.2)	(7.2)	(12.8)	(34.2)	(7.7)
Other expense	(0.1)	-	-	-	(0.1)	-
Commercial settlement related to 2010-13 scrap	-	-	(6.0)	-	(6.0)	-
Provision for income taxes	(2.8)	(2.7)	(1.6)	(2.1)	(9.2)	(2.1)
Equity in profit / (loss) of joint venture	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	-
Pension actuarial loss	-	-	-	(4.2)	(4.2)	-
Income / (loss) from discontinued operation	0.8	1.6	4.8	(16.7)	(9.5)	(0.1)
Net income attributable to noncontrolling interest	(0.4)	(0.9)	(1.7)	(2.6)	(5.6)	(0.1)
<b>Net income / (loss) attributable to Tower International, Inc.</b>	<b>\$ 14.9</b>	<b>\$ 16.1</b>	<b>\$ 11.2</b>	<b>\$ (20.7)</b>	<b>\$ 21.5</b>	<b>\$ 14.0</b>

# Adjusted Free Cash Flow Reconciliation to GAAP

(in \$ millions)

	<b>Three Months Ended Mar. 31,</b>	
	<b>2015</b>	<b>2014</b>
Net cash provided by / (used in) continuing operating activities*	\$ (6.8)	\$ 15.2
Cash disbursed for purchases of PP&E, net*	(9.6)	(8.7)
Free cash flow	(16.4)	6.5
Net cash disbursed for customer-owned tooling	(10.1)	(8.4)
Adjusted free cash flow	<u>\$ (6.3)</u>	<u>\$ 14.9</u>

-----

\*From GAAP Consolidated Statement of Cash Flows

# Certain Items Included in Net Income

(in \$ millions)

	Three Months Ended Mar. 31,	
	<u>2015</u>	<u>2014</u>
Income / (expense) items included in net income, net of tax:		
<i>Selling, general, and administrative expenses</i>		
One-time CEO compensation awards	(1.0)	-
<i>Restructuring and asset impairment charges, net</i>		
Restructuring actions*	(0.2)	(0.4)
<i>Interest expense</i>		
Mark-to-market loss on derivative financial instruments	(1.9)	-
Acceleration of the amortization of debt issue costs and OID	(0.4)	-
<i>Other expense</i>		
Term Loan re-pricing fees	-	(0.1)
<i>Discontinued operations</i>		
Income / (loss) from discontinued operations	(0.1)	0.8
<i>Noncontrolling interests</i>		
Net income attributable to noncontrolling interests**	-	(0.2)
Total items included in net income, net of tax	<u>\$ (3.6)</u>	<u>\$ 0.1</u>
Net income attributable to Tower International, Inc.	\$ 14.0	\$ 14.9
Memo: Average shares outstanding (in millions)		
Basic	21.1	20.5
Diluted	21.4	21.3
Income per common share (GAAP)		
Basic	\$ 0.67	\$ 0.72
Diluted	0.66	0.70
Diluted adjusted earnings per share (non-GAAP)***	\$ 0.82	\$ 0.69

\* Amounts are net of tax of less than \$0.1 million and less than \$0.1 million, respectively.

\*\* Amounts attributable to noncontrolling interests of discontinued operations.

\*\*\* Excludes the certain items shown above.

# Industry Production Volume (April IHS)

(Vehicles in millions)

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Full Year</u>
<b><u>2015 Forecast</u></b>					
North America	4.3	4.6	4.3	4.2	17.4
Europe	5.3	5.2	4.6	4.9	20.0
Brazil	0.6	0.7	0.7	0.7	2.7
China	<u>5.6</u>	<u>5.7</u>	<u>5.6</u>	<u>6.0</u>	<u>22.9</u>
Total	<u>15.8</u>	<u>16.2</u>	<u>15.2</u>	<u>15.8</u>	<u>63.0</u>
<b><u>2015 Over / (Under) 2014</u></b>					
North America	2 %	3 %	4 %	0 %	2 %
Europe	2	(2)	1	(2)	0
Brazil	(15)	(5)	(6)	(8)	(9)
China	9	9	11	2	7
Total	4 %	3 %	5 %	0 %	3 %
Memo: B/(W) Than Year Ago (ex-China)	1 %	0 %	2 %	(2) %	0 %