

# Cooper Standard 2Q 2011

*Second Quarter 2011 Earnings Call  
August 16, 2011*



 **CooperStandard**

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# Introduction & Agenda

- **Introduction:** Glenn Dong, Treasurer
- **Executive Overview:** Jim McElya, CEO
- **Business Highlights:** Keith Stephenson, COO
- **Financial Review & Updated Guidance:** Allen Campbell, CFO
- **Questions & Answers**

# Safe Harbor

In addition to historical information, certain statements contained herein are forward-looking statements within the meaning of federal securities laws, and Cooper Standard Automotive (Cooper Standard) intends that such forward-looking statements be subject to the safe-harbor created thereby. These forward-looking statements include statements concerning the company's plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, business trends, the impact of "fresh-start" accounting, the impact of the company's bankruptcy on its future performance and other information that is not historical information. When used herein, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," "forecasts," or future or conditional verbs, such as "will," "should," "could," or "may," and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including, without limitation, management's examination of historical operating trends and data, are based upon Cooper Standard's current expectations and various assumptions. Cooper Standard's expectations, beliefs and projections are expressed in good faith and Cooper Standard believes there is a reasonable basis for them. However, no assurances can be made that these expectations, beliefs and projections will be achieved. Forward-looking statements are not guarantees of future performance and are subject to significant risks and uncertainties that may cause actual results or achievements to be materially different from the future results or achievements expressed or implied by the forward-looking statements.

# Safe Harbor

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# Executive Overview

## 2Q 2011

*Jim McElya*  
*Chairman & CEO*



# Executive Overview: Second Quarter 2011 Review

- Continued revenue and earnings growth:
  - 2Q sales growth of 21%, up across all regions
  - 2Q adjusted EBITDA margin of 11.9%
- Resulting from:
  - Contributions from strategic acquisitions
  - Business wins on global platforms
  - Leveraging footprint in Brazil, India, and China
  - Continued focus on cost discipline

# Executive Overview: Second Quarter 2011 Review

- Strategic progress:
  - French JV on track to deliver \$150 million in incremental sales
    - » Added AVS and hose capabilities in Europe
    - » Expanded footprint in India
  - Strengthening global coverage
    - » Acquired 20% share in Nishikawa Thailand, expanding global partnership
    - » Announced expansion in Romania

## Executive Overview: Industry Trends

- Increased M&A activity
  - Ongoing consolidation of supply base
- Raw material concerns
  - Escalating costs
  - Availability challenges
- Demand for new technology
  - Fuel economy and emission standards driving innovation
- Impact of Japan production slowdown
  - Sales deferred

# **Business Highlights**

## **2Q 2011**

*Keith Stephenson*  
*Chief Operating Officer*



## Business Highlights Second Quarter

- Sales improvement due to recovering volumes and mix
- French joint venture expanding business with European customers
- Continued global footprint evolution
- Strategically growing Fluid business

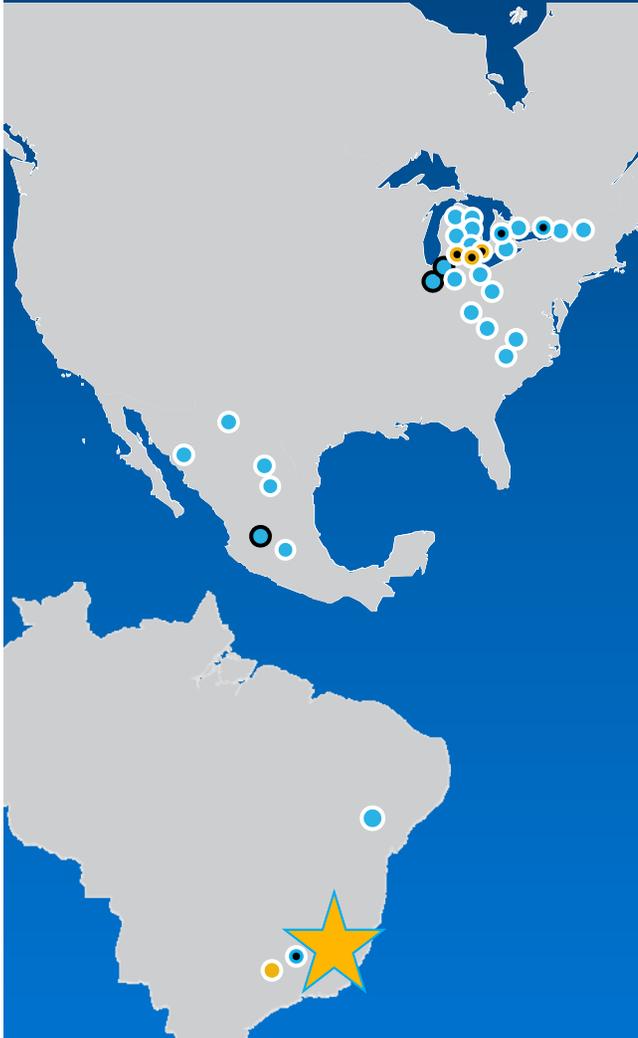
# Footprint Evolution



## Recent Footprint Expansion:

- Craiova, Romania
- Czestochowa, Poland
- Mumbai, India
- Nakhonratchasima, Thailand
- Sao Paulo, Brazil

## Americas



## Europe



## Asia Pacific



# Strategic Growth and Expansion of Fluid Business

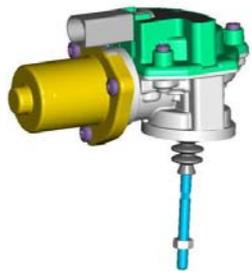
- Benefitting from strategic focus on expanding thermal management and emissions products



- » Supplying exhaust gas recirculation (EGR) modules to Audi



- » Launched brushless water pumps to Renault, Nissan and PSA



- » Won wastegate actuator business with VW
- » Localized fluid tubing facilities in China and India

# Vehicle Launches 2<sup>nd</sup> Quarter 2011

- Audi – W36 Platform  
Emissions



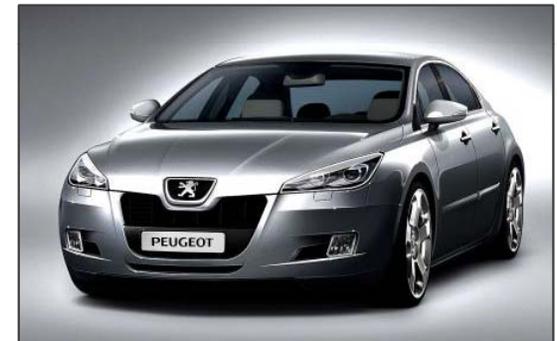
Audi

- Fisker - Karma  
Thermal Management



Fisker Karma

- GM - Meriva  
Sealing



Peugeot 508

- Peugeot 508  
Sealing



Land Rover Evoque

- Porsche – 911 Coupe, 911 Convertible, Boxster  
Sealing, Fluid Handling



Porsche 911

- Land Rover - Range Rover Evoque  
Fuel, Brake and Emissions



GM Meriva

Note: Photos are representative and may not reflect final production models

# Financial Overview

## 2Q 2011

*Allen Campbell*  
*Chief Financial Officer*



## 2Q and Year-to-Date 2011 Performance

\$ Millions

Q2 2010	Q2 2011		YTD 2010	YTD 2011
\$628.4	\$760.5	<b>Net Sales</b>	\$1,224.8	\$1,449.2
\$106.2	\$ 123.7	<b>Gross Profit</b>	\$ 210.7	\$ 244.5
\$ 62.1	\$ 65.6	<b>SGA</b>	\$ 115.2	\$ 126.5
\$ 36.6	\$ 17.2	<b>Operating Profit</b>	\$ 87.6	\$ 68.6
\$281.2	\$ 19.0	<b>Net Income</b>	\$ 284.6	\$ 64.0
\$ 73.8	\$ 90.3	<b>Adjusted EBITDA</b> <i>(excluding qtr. one times)</i>	\$ 147.6	\$ 182.2
11.7%	11.9%	<b>% Margin</b>	12.1%	12.6%

# EBITDA and Adjusted EBITDA Reconciliation

6 Months Ended June 30<sup>th</sup>

\$ USD Millions	2010	2011
<b>Net Income</b>	<b>\$284.6</b>	<b>\$ 64.0</b>
Provision for income tax expense	40.9	18.8
Net interest expense	48.0	20.6
Depreciation and amortization	44.5	60.3
<b>EBITDA</b>	<b>\$418.0</b>	<b>\$ 163.7</b>
Reorganization / Fresh Start	(303.4)	--
Restructuring*	6.3	23.9
Inventory Fair Value *	8.1	0.7
Stock compensation	1.1	5.3
Foreign Exchange	17.5	--
Net gain on partial sale of joint venture	--	(11.4)
<b>Adjusted EBITDA</b>	<b>\$ 147.6</b>	<b>\$ 182.2</b>

EDITDA and Adjusted EBITDA are Non-GAAP measures. Reference comments on slide 24

\*Net of Minority Interest impact in France JV

# Cash Flow 2Q 2011

(\$ in Millions)

	<u>Q2 - 2011</u>	<u>YTD - 2011</u>
Cash from business	\$ 36.8	\$ 103.1
Pension funding	(2.9)	(28.5)
Changes in operating assets & liabilities	14.2	(48.1)
<b>Cash from operations</b>	<b>\$ 48.1</b>	<b>\$ 26.5</b>
Capital expenditures	(29.3)	(45.5)
<b>Cash from operations less CAPEX</b>	<b>\$ 18.8</b>	<b>\$ (19.0)</b>
Acquisition of business, plus cash acquired	37.3	30.9
Proceeds from partial sale of joint venture	-	16.0
Proceeds from sale of assets	0.1	0.5
Financing activities	(2.0)	(6.2)
Foreign exchange/other	(0.4)	(3.2)
<b>Net cash increase</b>	<b>\$ 53.8</b>	<b>\$ 19.0</b>
Cash balance as of March 31	\$ 259.7	
Cash generated	53.8	
<b>Cash balance as of June 30</b>	<b>\$ 313.5</b>	

Includes French JV cash of \$32.0 million

## Revised Guidance\*

- Sales: \$2.8 billion - \$2.9 billion
- Capital expenditures: \$105 million - \$115 million
- Cash restructuring: \$50 million - \$60 million
- Cash taxes: \$25 million - \$30 million

*\* Forecast is based on Cooper Standard North American production of 13.1 million, and Europe (including Russia) production of 19.2 million.*

# Non-GAAP Financial Measures

EBITDA and adjusted EBITDA are measures not recognized under Generally Accepted Accounting Principles (GAAP) which exclude certain non-cash and non-recurring items.

When analyzing the company's operating performance, investors should use EBITDA and adjusted EBITDA in addition to, and not as alternatives for, net income (loss), operating income, or any other performance measure derived in accordance with GAAP, or as an alternative to cash flow from operating activities as a measure of the company's performance. EBITDA and adjusted EBITDA have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of the company's results of operations as reported under GAAP. Other companies may report EBITDA and adjusted EBITDA differently and therefore Cooper Standard's results may not be comparable to other similarly titled measures of other companies.

# Questions & Answers



## 2Q 2011 Summary

- Continued execution on our business plan
- Investments filling strategic needs and complementing organic growth
- Effectively managing impact of raw material increases
- Further evolving organization to support global customers