



First Quarter 2017 Results & Outlook for 2017

May 2, 2017



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, Adjusted EBITDA, Adjusted EPS, and Free Cash Flow. 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 including volatility in the capital markets, the capacity of potential bidders to finance transactions and the difficulty of predicting the outcome of negotiations; and
- costs or liabilities relating to environmental and safety regulations

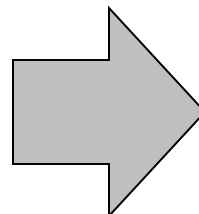
We do not assume any obligation to update or revise the forward-looking statements contained in this presentation.

Select Highlights

- First quarter revenue and earnings were higher than February outlook as production was stronger than anticipated.
- Free Cash Flow use in the first quarter reflects seasonality of working capital and investment in customer tooling – both of which are expected to be recovered in the second half of 2017.
- We are maintaining our full year 2017 Outlook for revenue, Adjusted EBITDA, Adjusted EPS and Free Cash Flow.
- Amended and extended our Term Loan and Cash Flow Revolver.
- Successfully transitioned senior executive leadership.
- Tony Brown replaces retiring Chairman Nick Chabraja.
- Secular industry trends of lightweighting and outsourcing continue to provide Tower with growth opportunities.

Excellent Program Execution

- Safety & Quality
- Launch
- Cost Performance



Free Cash Flow Generation

- Reliable
- Consistent
- Growing

Capital Deployment Flexibility

Profitable Growth *Above Industry*

- Conquest / Share Gain
- OEM Outsourcing
- Light Weighting
- Accretive Acquisitions

Leverage Reduction *Net Debt of 1.0x Adjusted EBITDA*

- EBITDA Growth
- Debt Reduction

Return Capital to Shareholders *Distribute Excess FCF*

- Growing Sustainable Dividend
- Share Repurchase

Emerging Secular Trends Providing Positive Opportunities for Tower

Lightweighting

- Increased use of aluminum, higher strength steels and hot forming with complex joining technologies is providing Tower higher value-add opportunities.

Outsourcing

- Long discussed trend is accelerating – OEM focus on electrification, powertrain and other technologies is providing additional opportunities for Tower to manufacture parts previously done by OEMs.

Replacement

- For the next generation of existing vehicles with Tower content, we are seeing opportunities for increased revenue and higher value-add on the re-designed platforms.

Tower's structural components and assemblies are relevant and necessary regardless of how vehicles are powered or driven.

Recent Press Additions

Type	Location	Product Applications
2000T Servo	Bardstown	High Strength Steel and Aluminum
1600T Twin Servo	Caserta	High Strength Steel
Hotforming	Zwickau	Body In White Architecture
VK3000 (Retrofit)	Malacky	Aluminum

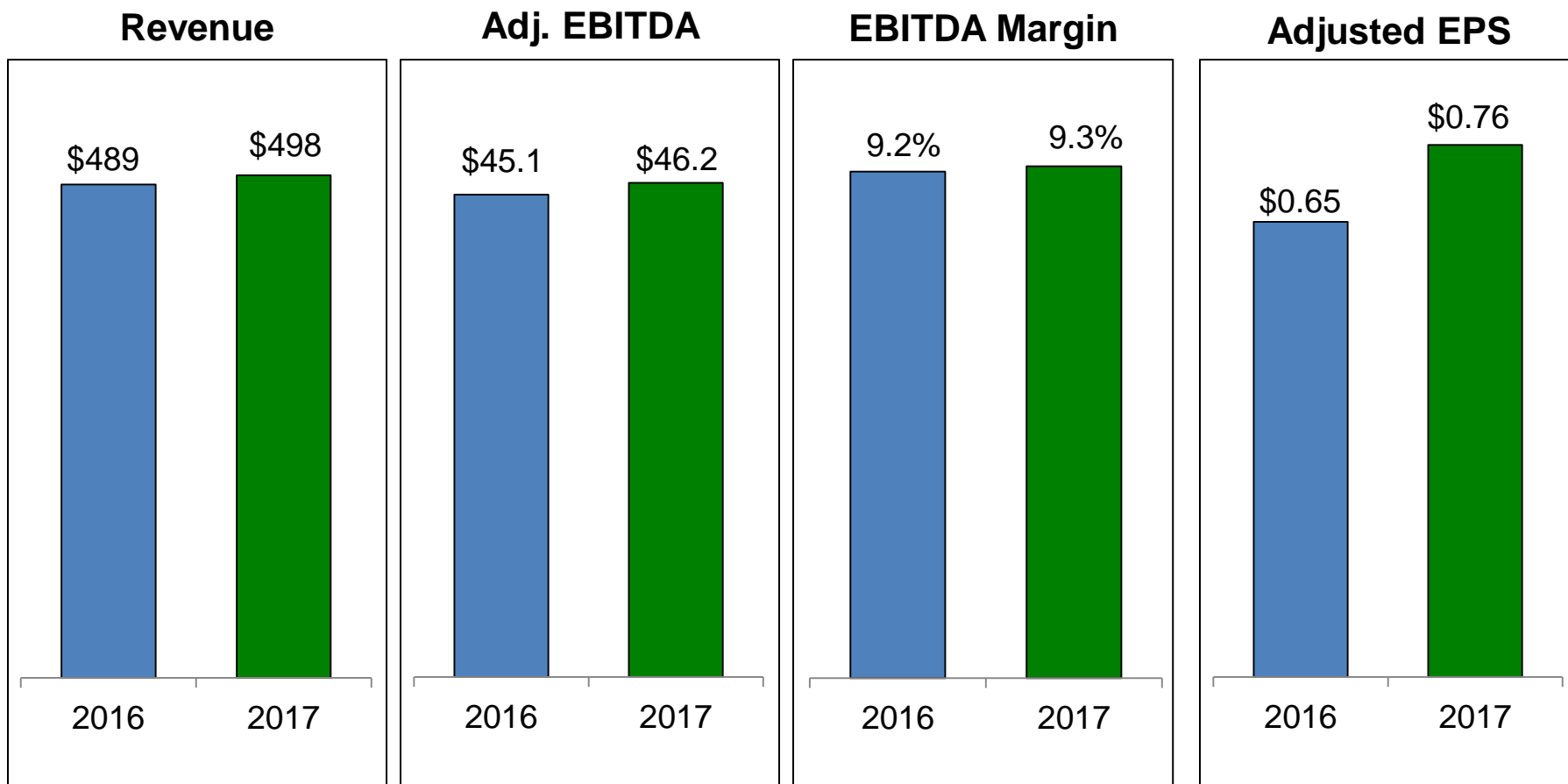


These presses give Tower additional capacity to support customers' increased use of lightweight materials.

Total Company

First Quarter Financials - - 2017 vs. 2016

(in \$ millions, except EPS)



Solid quarter with higher revenue, profit and margin.

Q1 Results Better Than Outlook

(in \$ millions, except EPS)

	<u>Actual</u>	<u>Better Than Outlook</u>
Revenue	\$ 498	\$ 18
Adjusted EBITDA	\$ 46.2	\$ 3.2
EBITDA Margin	9.3%	0.3 Pts.
Adjusted EPS	\$ 0.76	\$ 0.16

First Quarter Free Cash Flow

(in \$ millions)

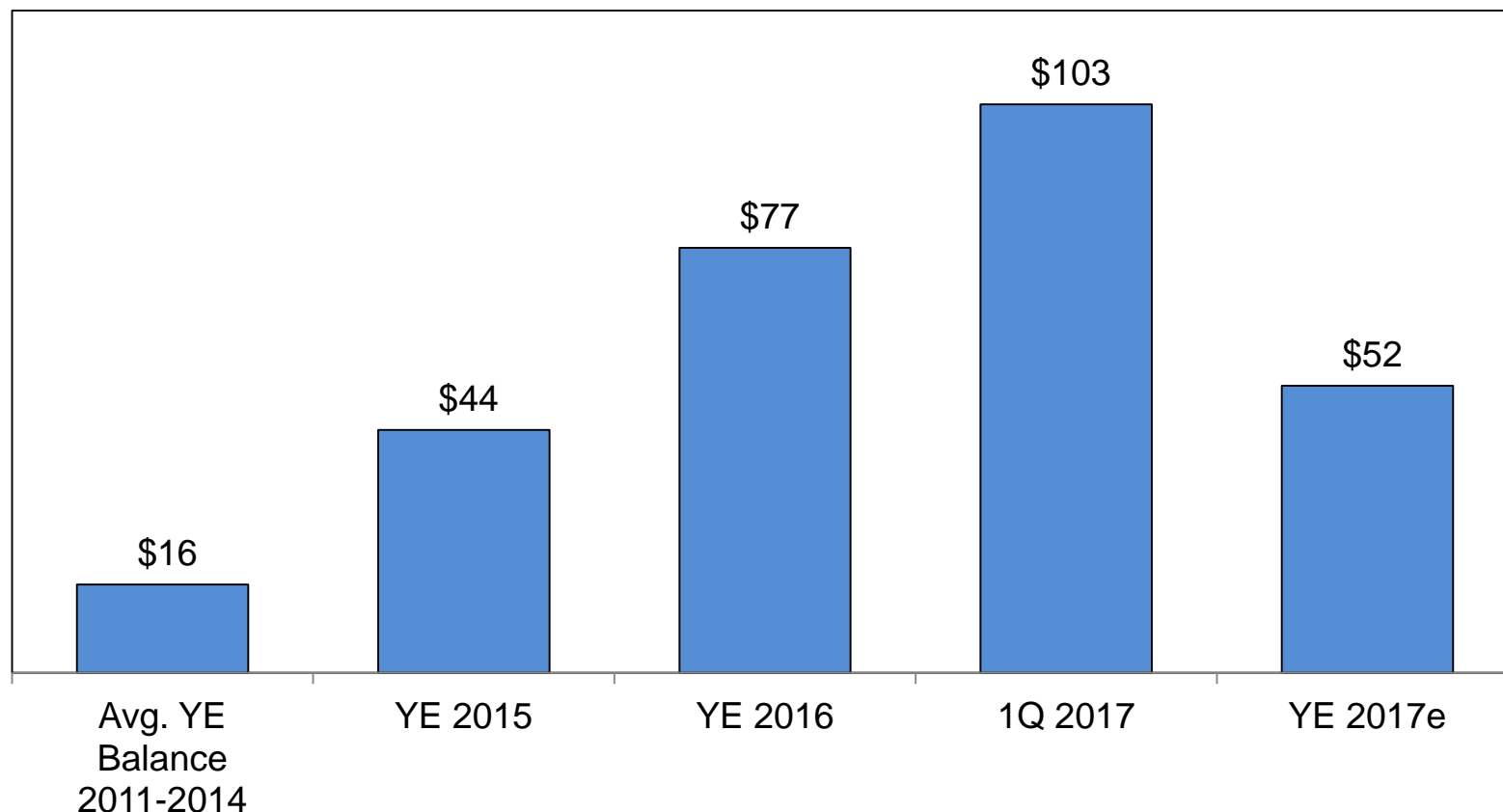
	First Quarter 2017
Adjusted EBITDA	\$ 46
Capital Expenditures	(24)
Cash Interest	(8)
Cash Taxes	(2)
Working Capital & Other (ex-tooling)	(58)
Customer Tooling*	(26)
Total Free Cash Flow	\$ (72)

* Nets to zero over-time

1Q Free Cash Flow largely in-line with our expectations – reflecting seasonality of working capital and investments in tooling.

Customer Owned Tooling Investment

(in \$ millions; net balance sheet asset position)



Net tooling position has increased because of new business wins. While the precise timing of tooling collections and payments are difficult to project, tooling is expected to be a net inflow of \$25 million for FY2017.

Quarter-End Net Debt, Leverage & Liquidity

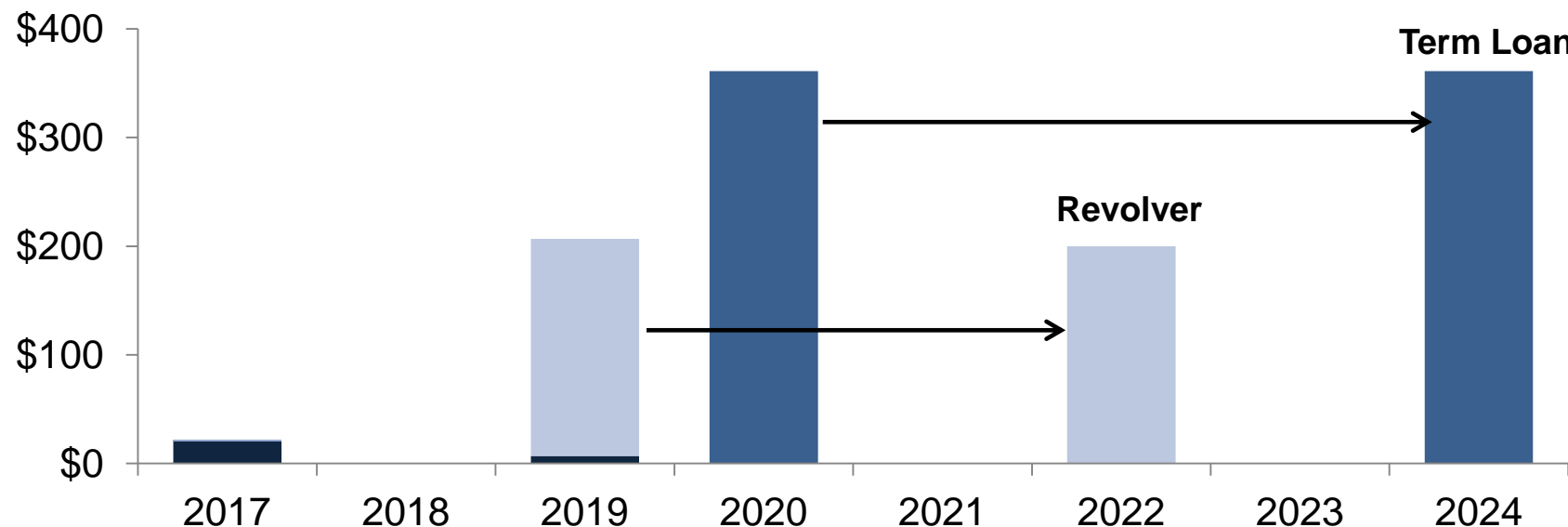
(in \$ millions)

	<u>Mar. 31, 2017</u>	<u>Dec. 31, 2016</u>
<u>Net Debt</u>		
Gross Debt	\$ 430	\$ 390
Less Cash	<u>(28)</u>	<u>(63)</u>
Net Debt	<u>\$ 402</u>	<u>\$ 327</u>
<u>Debt-to-LTM Adj. EBITDA</u>		
Gross	2.1X	1.9X
Net	2.0X	1.6X
Liquidity	\$ 212	\$ 292

Expected Free Cash Flow generation and funds from China JV divestitures will improve metrics and liquidity during the year.

Extension of Debt Maturities

(in \$ millions)



- Extended the maturity of \$200 million Cash Flow Revolver by 3 years
- Extended the maturity of Term Loan by 4 years and reduced the borrowing cost by 0.25 percent.
- These actions provide Tower with both the funds and the flexibility to successfully execute our plan over the coming years.

Outlook for Second Quarter and Full Year 2017

(in \$ millions, except EPS)

	<u>Q2 2017</u>	<u>FY 2017</u>	<u>B / (W)</u> <u>FY 2016</u>
Revenue	\$ 495	\$ 1,925	+ 1%
Adjusted EBITDA	\$ 53	\$ 210	+ 4%
Adjusted EPS	\$ 0.95	\$ 3.60	+ 7%
Free Cash Flow	Negative	\$ 55	\$ 34

Full-year 2017 Outlook remains unchanged from February.

Final Thoughts

- Tower delivered solid operating and financial performance in the first quarter.
- Maintaining Full-Year 2017 Outlook including significant Free Cash Flow generation.
- Secular industry trends of outsourcing, lightweighting and electrification are providing meaningful future growth and higher value-add opportunities. Tower's booked business is expected to result in a revenue CAGR of approximately 5 points above industry from 2017-2019.
- We remain disciplined in our capital deployment and will retain a balanced approach in deploying our capital for growth, leverage reduction and return of capital to shareholders.

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”, 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. Net debt represents total debt less cash and cash equivalents. We use Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Earnings Per Share, 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 mark to market adjustments of financial instruments, fair value adjustments to our pension plan, potential gain or loss on our discontinued operations, potential restructuring expenses, and expenses related to our long-term incentive compensation programs in any future period, a quantitative reconciliation of forward-looking financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP is not feasible. Consequently, any attempt to disclose such reconciliations would imply a degree of precision that could be confusing or misleading to investors. The magnitude of these items, however, may be significant.

Balance Sheet

(in \$ millions)

	<u>March 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
ASSETS		
Cash and cash equivalents	\$ 27.5	\$ 62.8
Accounts receivable, net of allowance of \$1.2 and \$1.0	250.1	178.3
Inventories	75.5	71.7
Assets held for sale	100.2	102.3
Prepaid tooling, notes receivable, and other	134.2	103.0
Total current assets	<u>587.5</u>	<u>518.0</u>
Property, plant, and equipment, net	\$ 472.5	\$ 465.6
Goodwill	57.8	56.4
Deferred tax asset	117.0	112.6
Other assets, net	10.9	9.9
Total assets	<u>1,245.7</u>	<u>1,162.5</u>
LIABILITIES AND EQUITY		
Short-term debt and current maturities of capital lease obligations	\$ 39.7	\$ 34.2
Accounts payable	280.1	258.1
Accrued liabilities	121.8	114.1
Liabilities held for sale	48.3	53.3
Total current liabilities	<u>489.9</u>	<u>459.7</u>
Long-term debt, net of current maturities	\$ 389.9	\$ 351.2
Obligations under capital leases, net of current maturities	-	4.9
Deferred tax liability	5.1	5.6
Pension liability	59.3	61.6
Other non-current liabilities	64.6	65.5
Total non-current liabilities	<u>518.9</u>	<u>488.9</u>
Total liabilities	<u>1,008.8</u>	<u>948.6</u>
Stockholders' equity:		
Tower International, Inc.'s stockholders' equity		
Common stock	\$ 0.2	\$ 0.2
Additional paid in capital	342.1	340.6
Treasury stock	(36.4)	(35.6)
Accumulated income / (deficit)	6.4	(14.0)
Accumulated other comprehensive loss	(81.6)	(83.4)
Total Tower International, Inc.'s stockholders' equity	<u>230.7</u>	<u>207.8</u>
Noncontrolling interests in subsidiaries	6.3	6.1
Total stockholders' equity	<u>236.9</u>	<u>213.9</u>
Total liabilities and stockholders' equity	<u>\$ 1,245.7</u>	<u>\$ 1,162.5</u>

Income Statement

(in \$ millions)

	Three Months Ended March 31,	
	2017	2016
Revenues	\$ 497.6	\$ 489.2
Cost of sales	440.8	432.1
Gross profit	56.8	57.1
Selling, general, and administrative expenses	29.2	32.9
Amortization expense	0.1	0.1
Restructuring and asset impairment charges, net	3.9	0.7
Operating income	23.5	23.4
Interest expense	0.5	7.6
Interest income	-	-
Other expense	0.6	3.6
Income before provision for income taxes and income / (loss) from discontinued operations	22.6	12.2
Provision for income taxes	6.5	3.5
Income from continuing operations	16.1	8.7
Income / (loss) from discontinued operations, net of tax	1.4	(0.3)
Net income	17.4	8.4
Less: Net income attributable to the noncontrolling interests	0.1	-
Net income attributable to Tower International, Inc.	\$ 17.3	\$ 8.4

Consolidated Statement of Cash Flows

(in \$ millions)

	Three Months Ended March 31,	
	2017	2016
OPERATING ACTIVITIES:		
Net income	\$ 17.4	\$ 8.4
Less: Income / (loss) from discontinued operations, net of tax	1.4	(0.3)
Income from continuing operations	16.1	8.7
Adjustments required to reconcile income from continuing operations to net cash provided by / (used in) continuing operating activities:		
Deferred income tax provision	\$ 4.0	\$ 3.0
Depreciation and amortization	17.8	17.3
Non-cash share-based compensation	0.5	0.5
Pension income, net of contributions	(2.4)	(2.1)
Change in working capital and other operating items	(84.4)	(17.1)
Net cash provided by / (used in) continuing operating activities	\$ (48.4)	\$ 10.3
INVESTING ACTIVITIES:		
Cash disbursed for purchases of property, plant, and equipment, net	\$ (23.9)	\$ (25.7)
Net cash used in continuing investing activities	\$ (23.9)	\$ (25.7)
FINANCING ACTIVITIES:		
Proceeds from borrowings	\$ 236.7	\$ 146.3
Repayments of borrowings	(192.4)	(138.2)
Repayments on Term Loan Credit Facility	-	(50.0)
Original issuance discount	(1.8)	-
Debt financing costs	(4.1)	-
Dividend payment to Tower shareholders	(2.2)	(2.1)
Proceeds from stock options exercised	0.9	-
Purchase of treasury stock	(0.8)	(0.6)
Net cash provided by / (used) in continuing financing activities	\$ 36.4	\$ (44.6)
Discontinued operations:		
Net cash from / (used in) discontinued operating activities	\$ (0.6)	\$ 2.8
Net cash used in discontinued investing activities	(0.4)	(0.4)
Net cash from / (used in) discontinued financing activities	0.5	(3.1)
Net cash from / (used in) discontinued operations	\$ (0.5)	\$ (0.7)
Effect of exchange rate changes on continuing cash and cash equivalents	\$ 1.2	\$ 1.9
NET CHANGE IN CASH AND CASH EQUIVALENTS	\$ (35.3)	\$ (58.8)
CASH AND CASH EQUIVALENTS:		
Beginning of period	\$ 62.8	\$ 121.6
End of period	\$ 27.5	\$ 62.8

Adjusted EBITDA Reconciliation to Net Income

(in \$ millions)

	2016					2017
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year	First Quarter
Adjusted EBITDA	\$ 45.1	\$ 50.4	\$ 50.1	\$ 56.2	\$ 201.7	\$ 46.2
Restructuring and asset impairments charges, net	(0.7)	(0.8)	(1.2)	(2.6)	(5.4)	(3.9)
Depreciation and amortization	(17.3)	(18.2)	(17.9)	(19.1)	(72.5)	(17.8)
Acquisition costs and other	(0.1)	(0.4)	0.1	(0.1)	(0.4)	(0.1)
Long-term compensation expense	(3.0)	(2.1)	(2.6)	(3.9)	(11.5)	(0.9)
One-time CEO compensation awards	(0.6)	0.2	(0.7)	(1.4)	(2.5)	-
Interest expense, net	(7.6)	(5.0)	(5.6)	(2.9)	(21.0)	(0.4)
Other expense	(3.6)	(2.9)	-	-	(6.5)	(0.6)
Provision for income taxes	(3.5)	(6.0)	(4.2)	(3.5)	(17.2)	(6.5)
Pension actuarial loss	-	-	-	(8.3)	(8.3)	-
Income / (loss) from discontinued operation	(0.3)	(20.0)	0.4	3.0	(17.0)	1.4
Net income attributable to noncontrolling interest	-	(0.1)	(0.1)	(0.5)	(0.7)	(0.1)
Net income / (loss) attributable to Tower International, Inc.	\$ 8.4	\$ (4.8)	\$ 18.2	\$ 16.9	\$ 38.6	\$ 17.3

Certain Items Included in Net Income

(in \$ millions)

	After tax		Before tax	
	Three Months Ended		Three Months Ended	
	March 31,		March 31,	
	2017	2016	2017	2016
Income / (expense) items included in net income, net of tax:				
<i>Selling, general, and administrative expenses</i>				
One-time CEO compensation awards	\$ -	\$ (0.6)	\$ -	\$ (1.0)
<i>Restructuring and asset impairment charges, net</i>				
One-time restructuring actions	(2.2)	-	(3.5)	-
<i>Interest expense</i>				
Mark-to-market loss on derivative financial instruments	2.7	(1.7)	4.3	(2.4)
Acceleration of the amortization of debt issue costs and OID	-	(0.5)	-	(0.7)
<i>Other expense</i>				
European divestiture expenses	-	(2.4)	-	(3.6)
Debt refinancing costs	(0.4)	-	(0.6)	-
<i>Discontinued operations</i>				
Income from discontinued operations	1.4	(0.3)	1.4	(0.3)
<i>Noncontrolling interests</i>				
Net income attributable to noncontrolling interests*	(0.1)	-	(0.1)	-
Total items included in net income, net of tax	<u>\$ 1.4</u>	<u>\$ (5.5)</u>		
Net income attributable to Tower International, Inc.	\$ 17.3	\$ 8.4		
Memo: Average shares outstanding (in thousands)				
Basic	20,425	21,126		
Diluted	20,820	21,445		
Income per common share (GAAP)				
Basic	\$ 0.85	\$ 0.40		
Diluted	0.83	0.39		
Diluted adjusted earnings per share (non-GAAP)	\$ 0.76	\$ 0.65		

* Amounts attributable to noncontrolling interests of discontinued operations

Free Cash Flow Reconciliation to GAAP

(in \$ millions)

	Three Months Ended March 31,	
	2017	2016
Net cash provided by / (used in) continuing operating activities*	\$ (48.4)	\$ 10.3
Cash disbursed for purchases of PP&E, net*	(23.9)	(25.7)
Free cash flow	<u>\$ (72.3)</u>	<u>\$ (15.4)</u>

*From GAAP Consolidated Statement of Cash Flows

Industry Volume Assumptions

(Car and light truck production in millions)

	Actual	(IHS April-17 Issue)						
	2016	1Q17	2Q17	3Q17	4Q17	2017	2018	2019
Europe	21.5	5.9	5.7	4.9	5.5	22.0	22.2	22.4
North America	17.8	4.6	4.6	4.2	4.2	17.6	17.8	18.0
<u>Y / Y % Change</u>								
Europe	2.9 %	6.3 %	(2.9) %	2.6 %	3.6 %	2.3 %	0.6 %	1.2 %
North America	1.9	2.5	(0.6)	(4.6)	(2.9)	(1.4)	1.0	1.2