



# CooperStandard

*Driving Value Through Culture, Innovation and Results*

**JP MORGAN AUTO CONFERENCE**  
August 9, 2017

# Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of U.S. federal securities laws, and we intend that such forward-looking statements be subject to the safe harbor created thereby. Our use of words “estimate,” “expect,” “anticipate,” “project,” “plan,” “intend,” “believe,” “forecast,” or future or conditional verbs, such as “will,” “should,” “could,” “would,” or “may,” and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements are based upon our current expectations and various assumptions. Our expectations, beliefs, and projections are expressed in good faith and we believe there is a reasonable basis for them. However, we cannot assure you 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. Among other items, such factors may include: prolonged or material contractions in automotive sales and production volumes; our inability to realize sales represented by awarded business; escalating pricing pressures; loss of large customers or significant platforms; our ability to successfully compete in the automotive parts industry; availability and increasing volatility in costs of manufactured components and raw materials; disruption in our supply base; possible variability of our working capital requirements; risks associated with our international operations; foreign currency exchange rate fluctuations; our ability to control the operations of our joint ventures for our sole benefit; our substantial amount of indebtedness; our ability to obtain adequate financing sources in the future; operating and financial restrictions imposed on us under our debt instruments; the underfunding of our pension plans; significant changes in discount rates and the actual return on pension assets; effectiveness of continuous improvement programs and other cost savings plans; manufacturing facility closings or consolidation; our ability to execute new program launches; our ability to meet customers' needs for new and improved products; the possibility that our acquisitions and divestitures may not be successful; product liability, warranty and recall claims brought against us; laws and regulations, including environmental, health and safety laws and regulations; legal proceedings, claims or investigations against us; work stoppages or other labor disruptions; the ability of our intellectual property to withstand legal challenges; cyber-attacks or other disruptions in our information technology systems; the possible volatility of our annual effective tax rate; the possibility of future impairment charges to our goodwill and long-lived assets; and our dependence on our subsidiaries for cash to satisfy our obligations.

You should not place undue reliance on these forward-looking statements. We undertake no obligation to publicly update or otherwise revise any forward-looking statement, whether as a result of new information, future events or otherwise, except where we are expressly required to do so by law.

This presentation also contains estimates and other information that is based on industry publications, surveys, and forecasts. This information involves a number of assumptions and limitations, and we have not independently verified the accuracy or completeness of the information.

# Core Product Lines



Sealing Systems

#1 Globally



Fuel & Brake Delivery Systems

#2 Globally



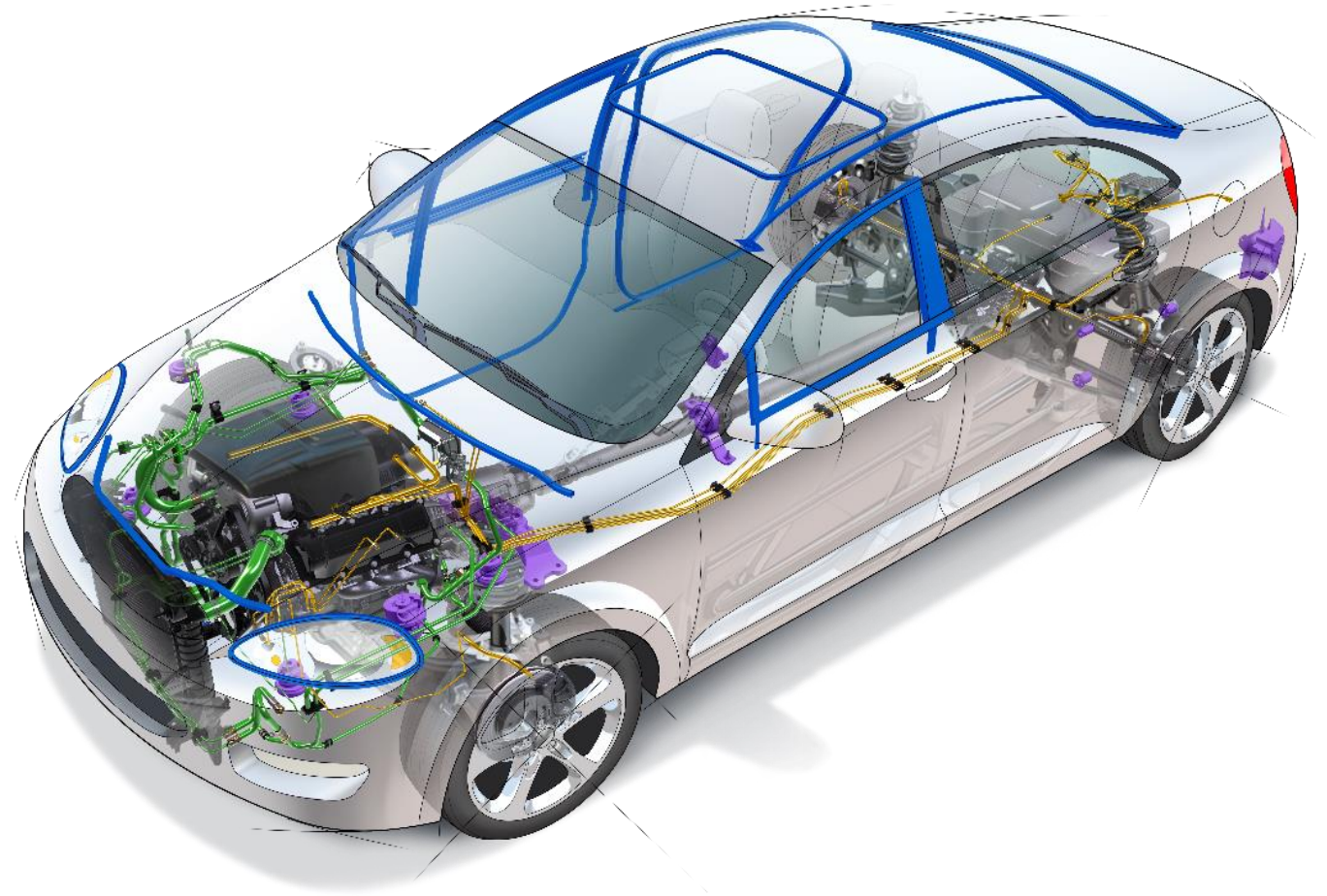
Fluid Transfer Systems

#3 Globally



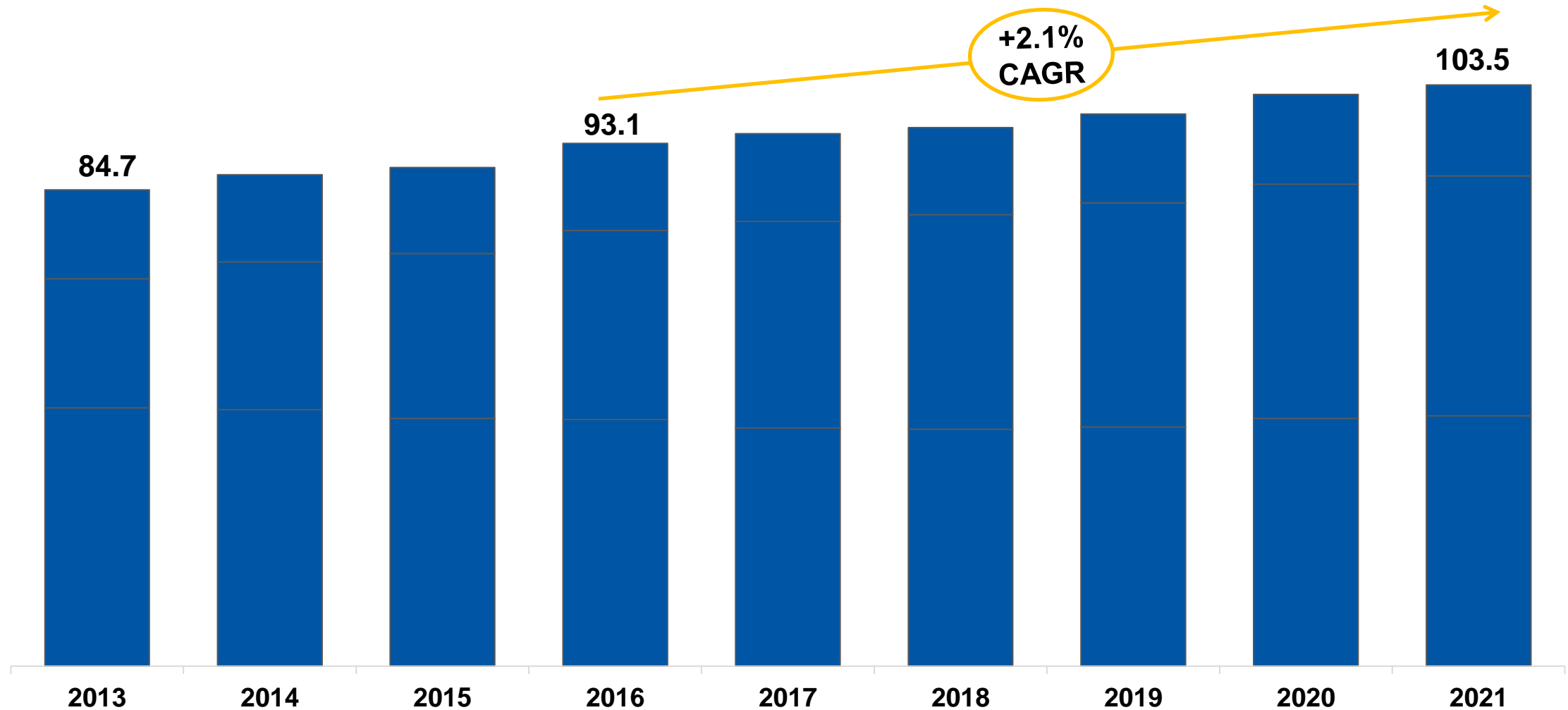
Anti-Vibration Systems

North American Leader



# Global Light Vehicle Production\*

Million Units

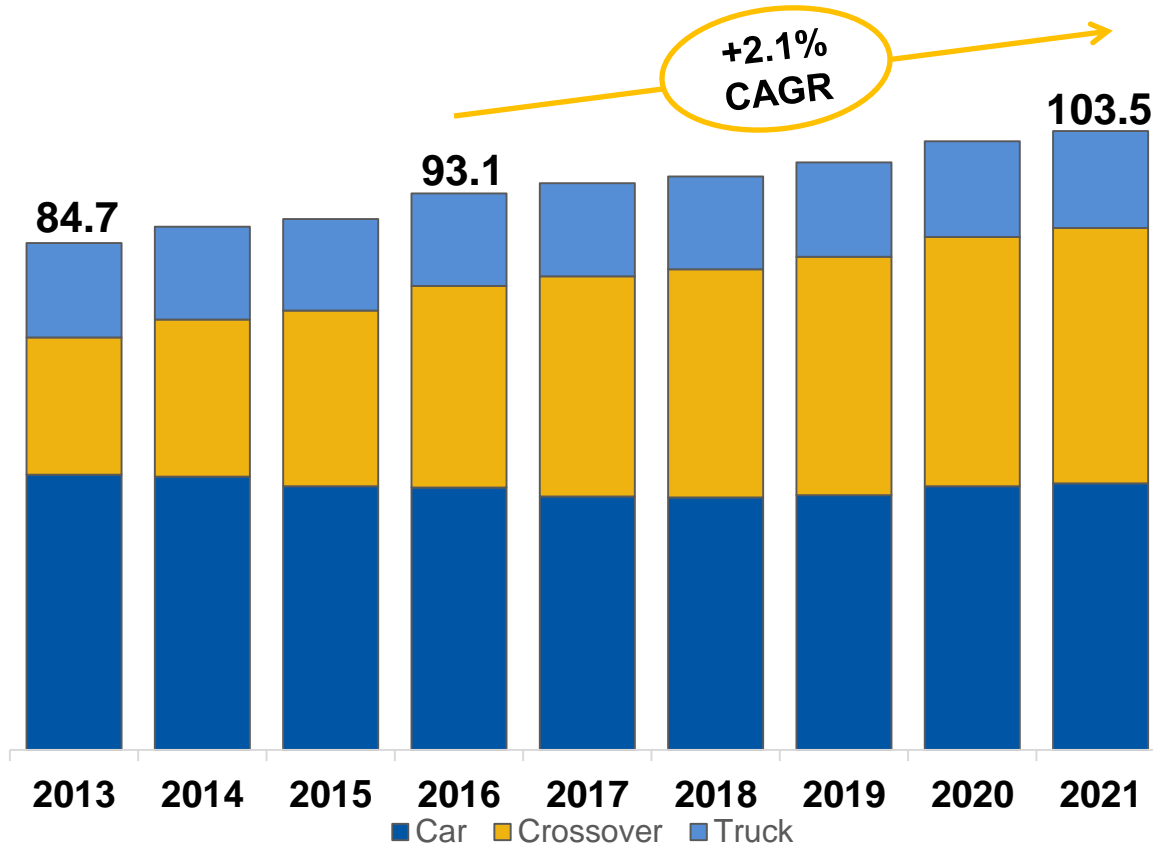


# Strong Content in the Right Segments

62% of 2016 Global Revenue From LT/SUV/CUV

Global Light Vehicle Production - Million Units\*

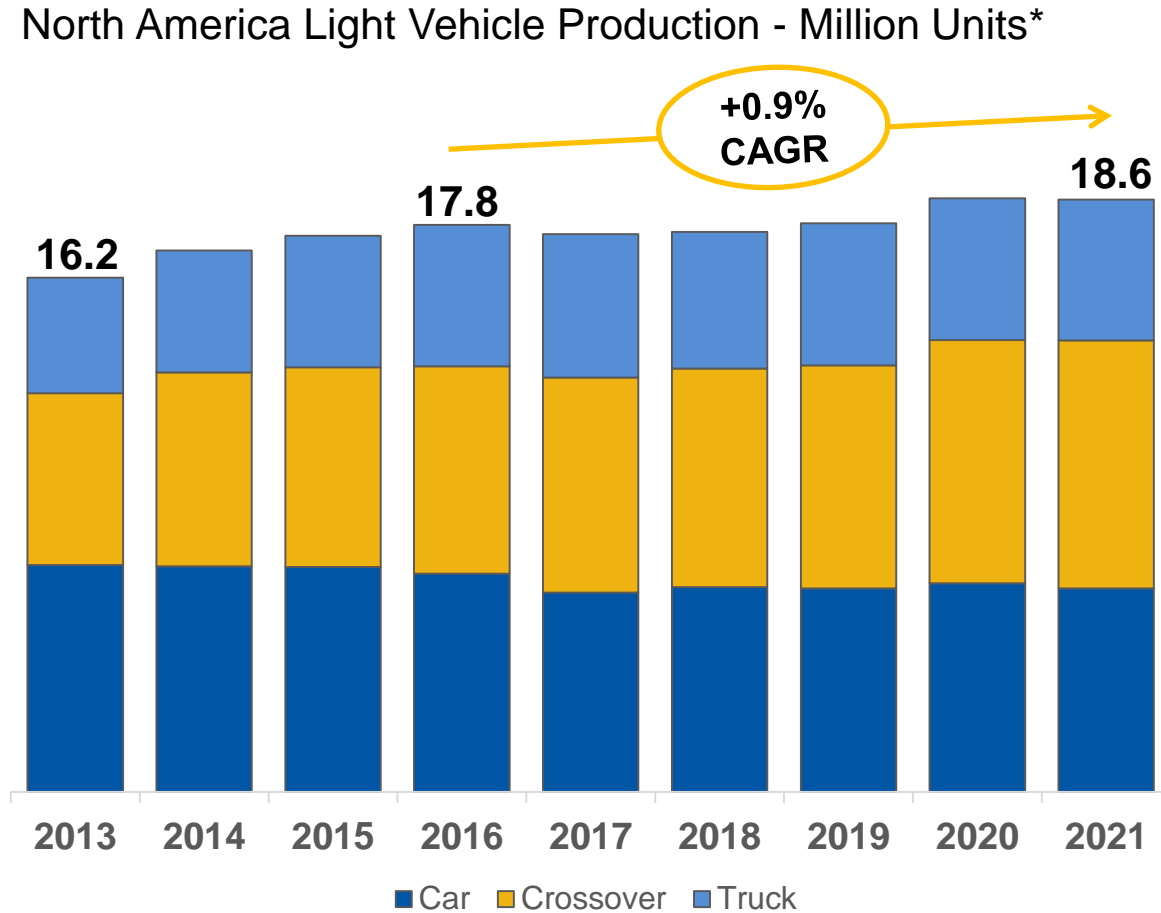
Projected Growth  
2016-2021



- Crossovers and light trucks to comprise 57% of the global market by 2021
- **Cooper Standard CPV** on crossovers is **26% higher** than on cars
- **Cooper Standard CPV** on light trucks is **120% higher** than on cars

# Mix Advantage in North America

77% of 2016 North America Revenue From LT/SUV/CUV



Projected Growth  
2016-2021

+0.9%  
CAGR

+0.0%  
CAGR

+3.7%  
CAGR

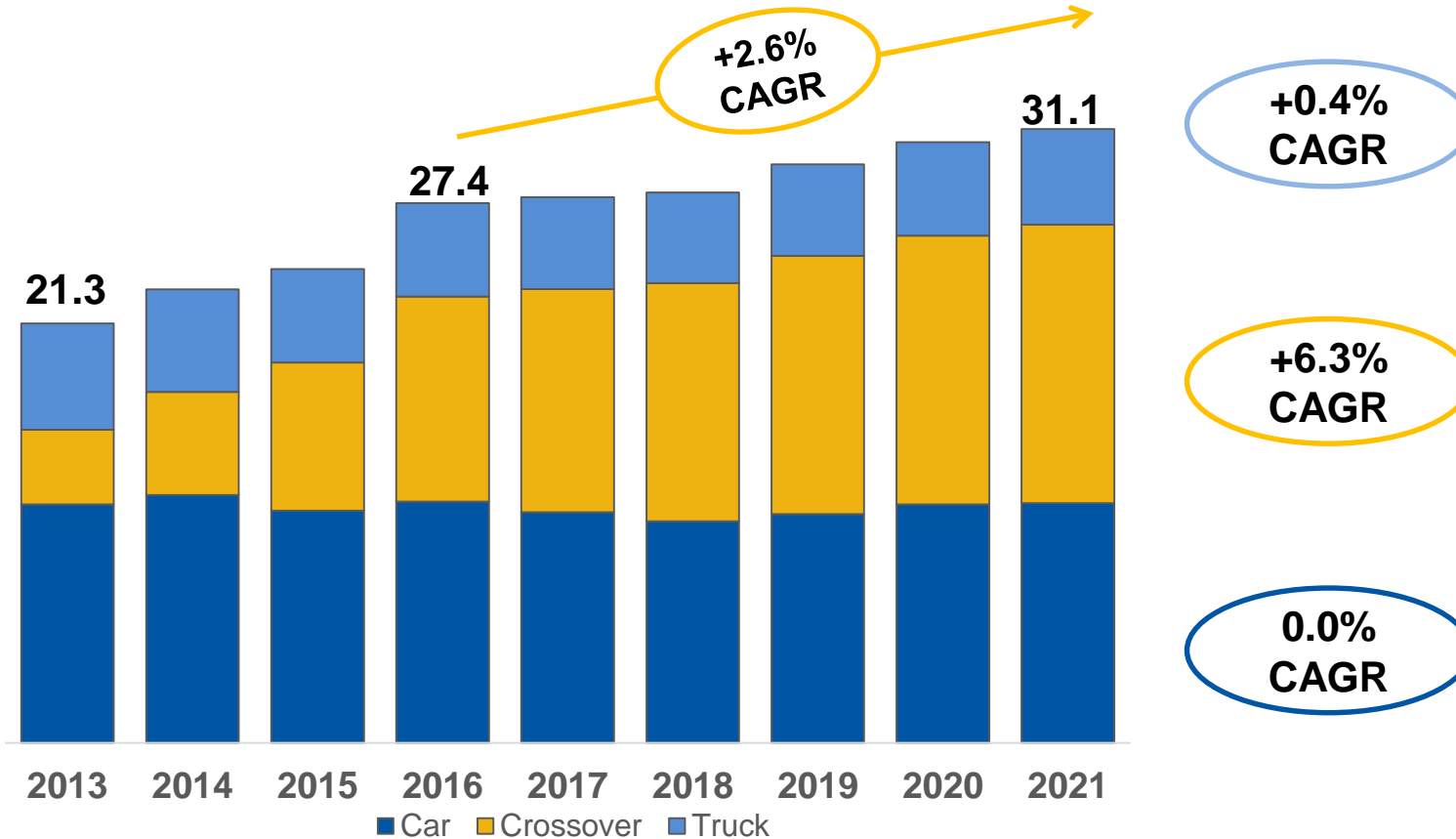
-1.5%  
CAGR

- Crossovers and light trucks will comprise 66% of the N. Am. market by 2021
- **Cooper Standard CPV** on crossovers is **42% higher** than on cars
- **Cooper Standard CPV** on light trucks is **260% higher** than on cars

# Aggressive Market Penetration to Drive Higher Content

Greater China Light Vehicle Mix - Million Units\*

Projected Growth  
2016-2021

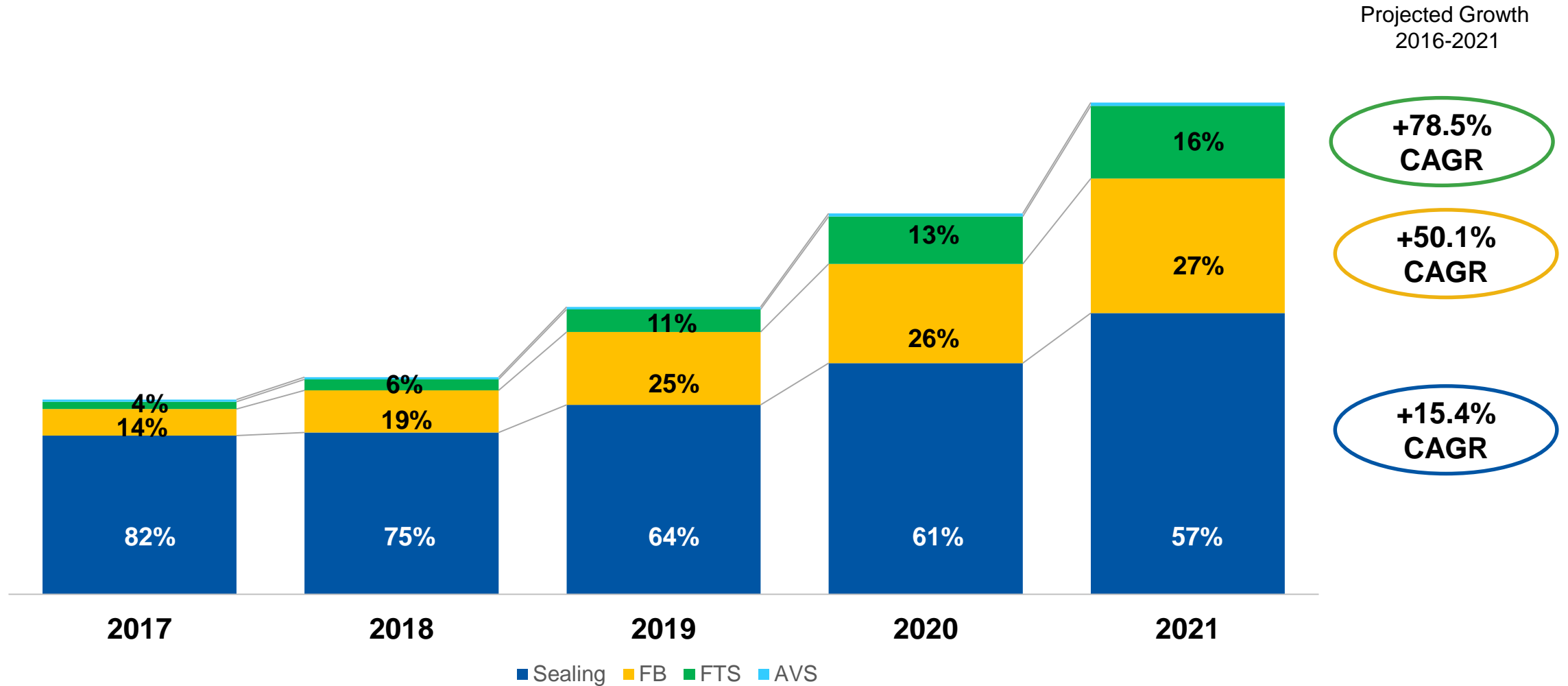


- Cooper Standard average CPV in China expected to double by 2021



# Expanding Our Product Portfolio in China

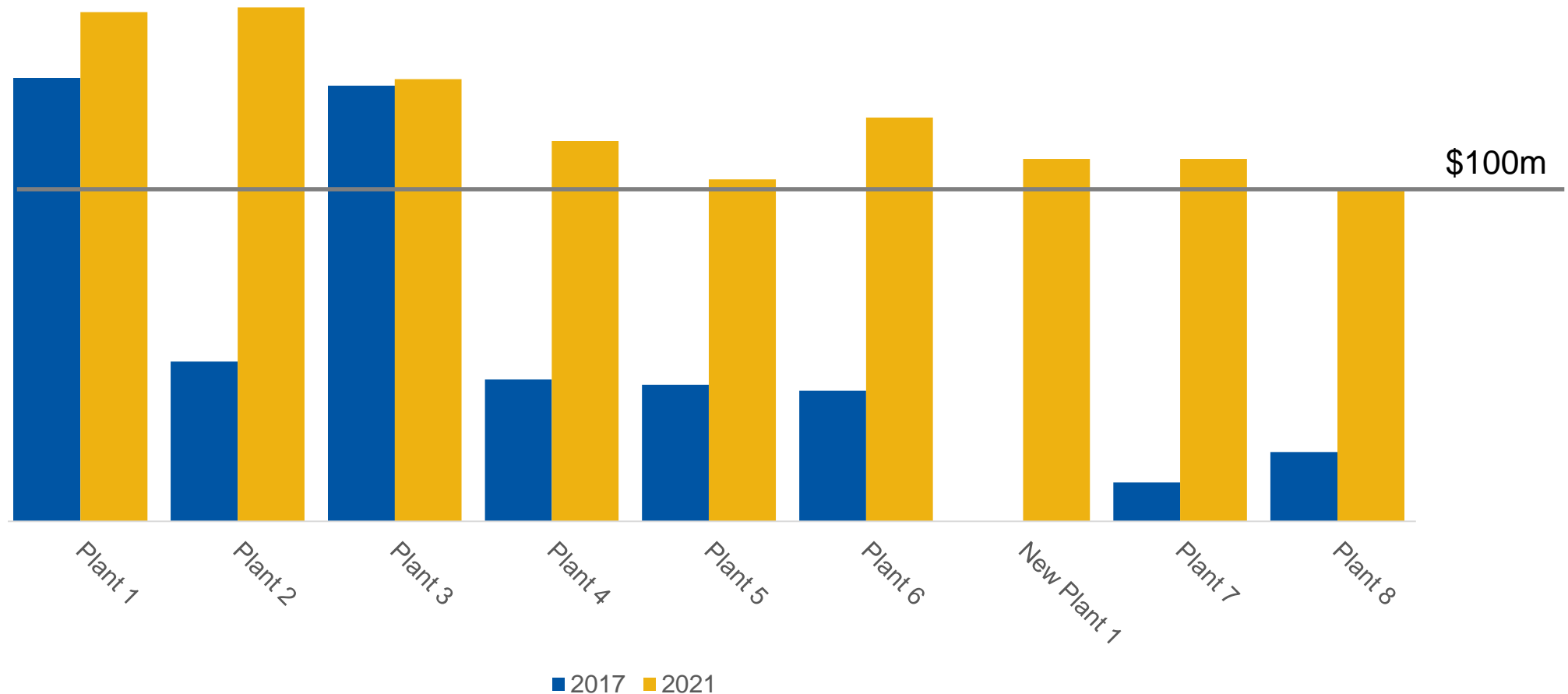
*Planned Revenue Split by Product*





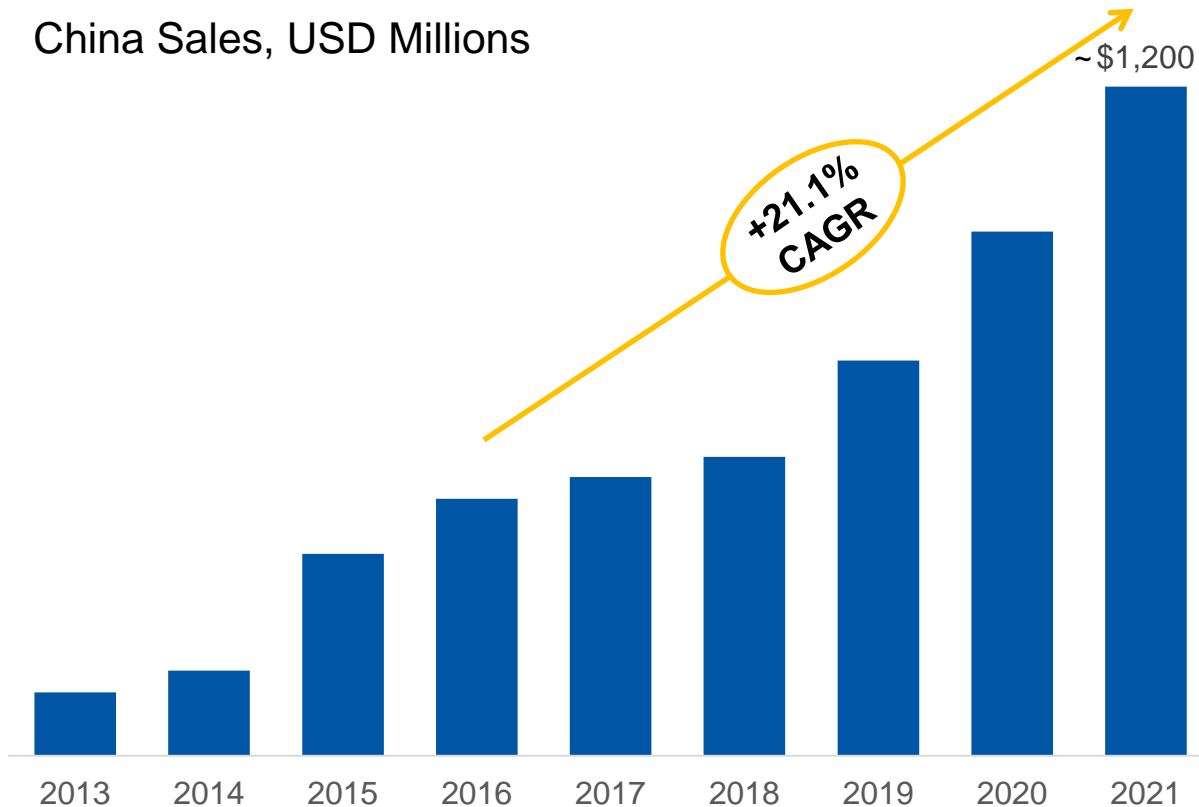
# Improving Capacity Utilization from 70% to >90%

*Eight Plants in China with More than \$100m Revenue by 2021 vs Two Plants in 2017*



# Rapid Growth and Increasing Returns in China

China Sales, USD Millions



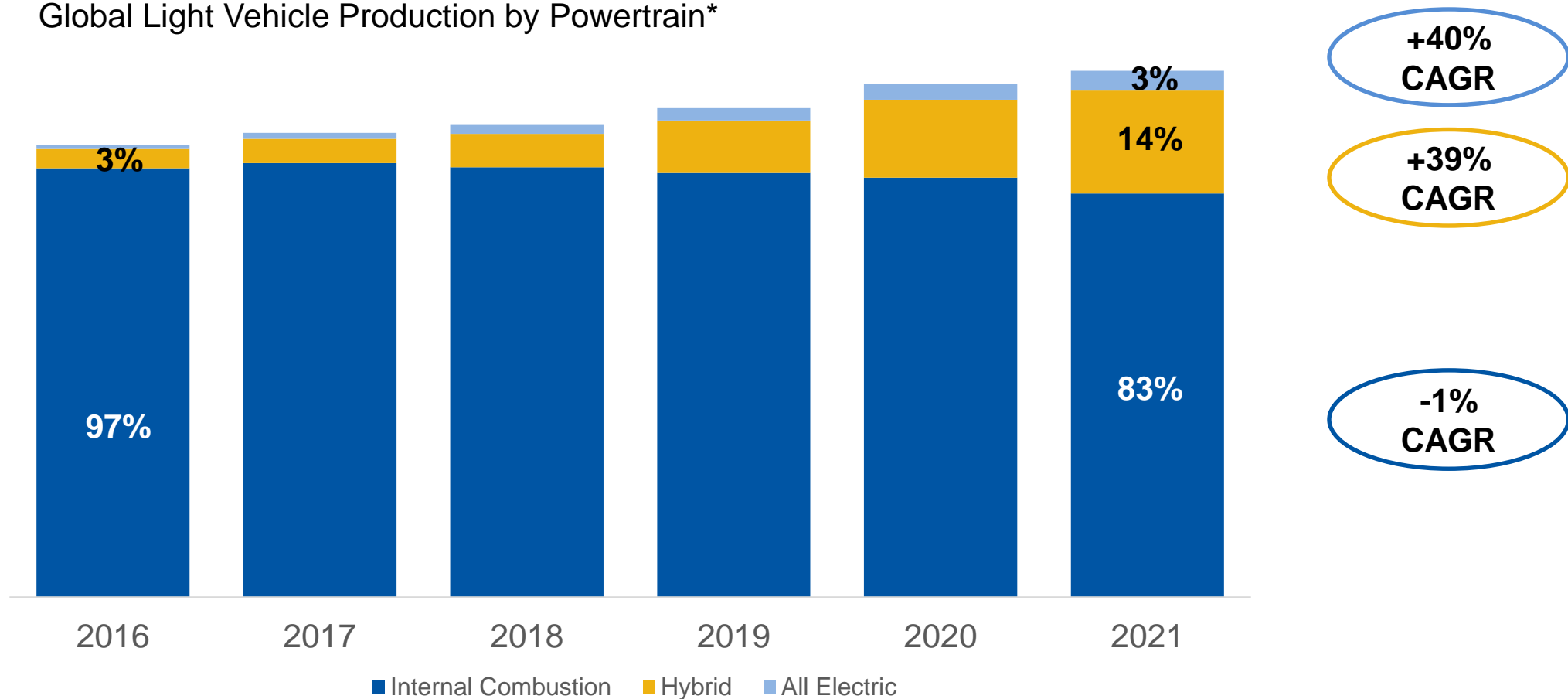
## China Key Highlights

- Revenue expected to grow faster than market
- Improved capacity utilization and overhead absorption
- SGA&E declining from 10% to 6% of sales
- ROIC increasing from 9% to 25%


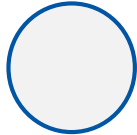
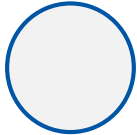
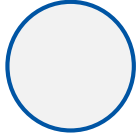


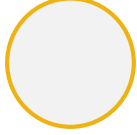


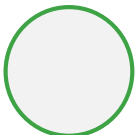

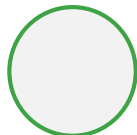

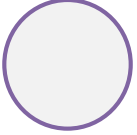
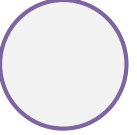
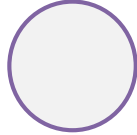
# Powertrain Trends Providing Opportunity

*Internal Combustion and Hybrid Vehicles Continue Market Share Dominance*

Global Light Vehicle Production by Powertrain\*

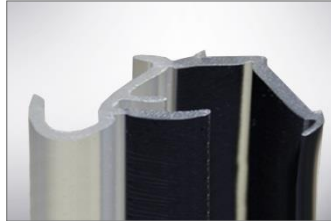


# Products Essential Across all Powertrains

	Internal Combustion	Hybrid	All Electric
 Sealing Systems			
 Fuel & Brake Delivery Systems			
 Fluid Transfer Systems			
 Anti-Vibration Systems			

# Providing Customer Solutions Through Innovation

*Driving Sustainable Competitive Advantage for Cooper Standard*



## **Fortrex™ Sealing**

Reduces weight, improves performance, and offers appearance options



## **ArmorHose™ Family of Products**

Eliminates requirement for protective sleeves, reduces weight



## **MagAlloy™ Coating**

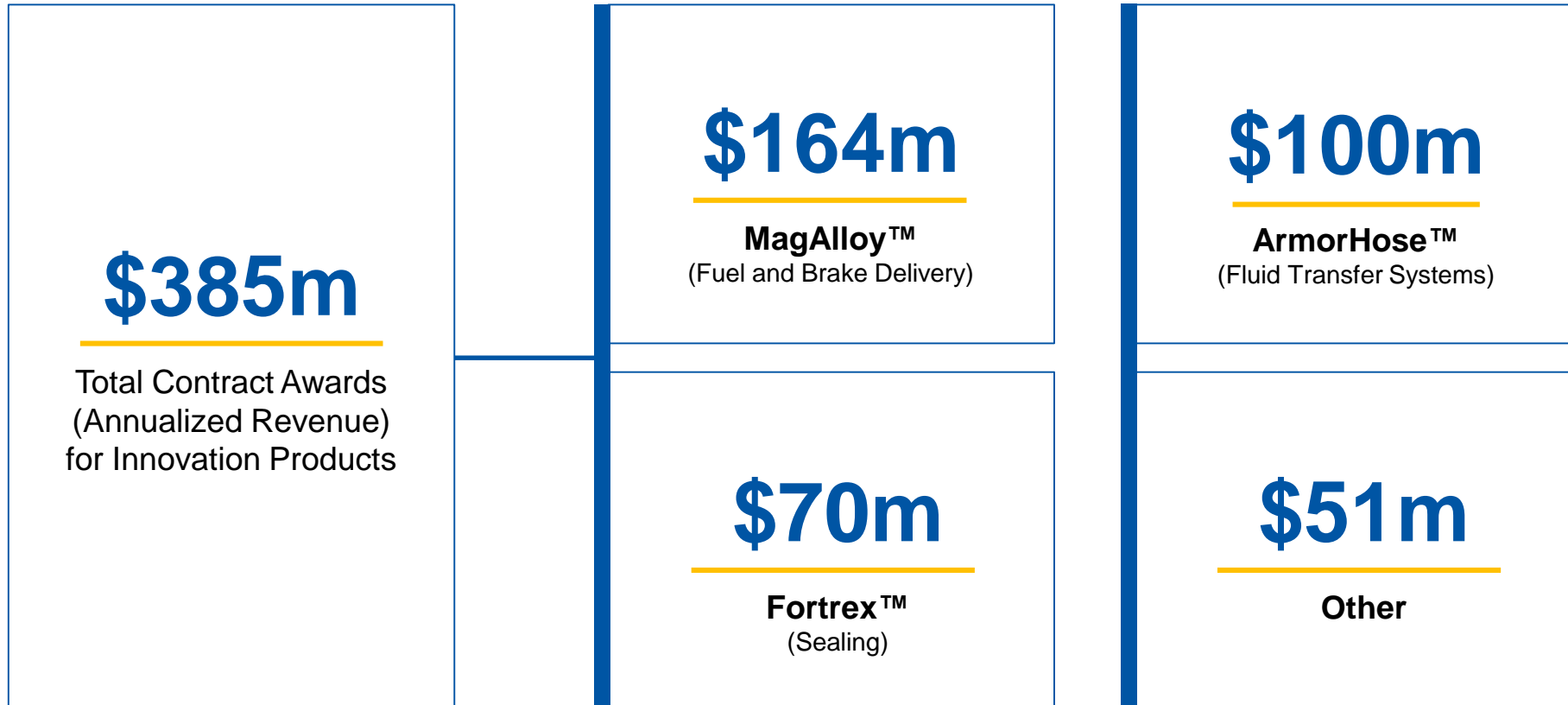
Improves corrosion performance and product life utilizing proprietary technology



## **Gen III Posi-Lock Quick Connector**

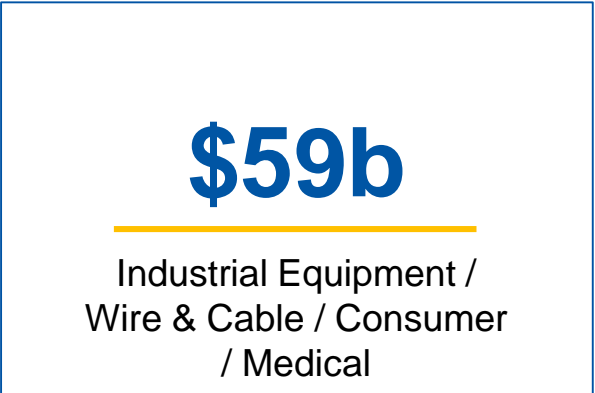
Simplifies systems; reduces mass and complexity

# Delivering Breakthrough Innovations to the Market



\* Contract awards for innovation products since 2016. Expected annualized revenue at full planned production. Commercialized innovation products include: MagAlloy™, ArmorHose™, ArmorHose™ TPV, Gen III Posi-Lock, TP Microdense, and Fortrex™. Includes new and replacement business.

# Leveraging Innovation in the Non-Automotive Rubber Market





# Advancing Adjacent Markets Strategy

*Signed First License Agreement of Fortrex™ Outside of the Automotive Industry*



## Building / Construction (1.75B lbs.\*)

- Wall / glass panels
- Roofing
- Flooring



## Wire & Cable (1.5B lbs.\*)

- Insulation and jackets
- Fiber optic buffers
- TELCOM
- Industrial and Mining



## Footwear (1.5B lbs.\*)

- Athletic mid-soles
- Uni-soles (mid + bottom)
- High performance / light weight

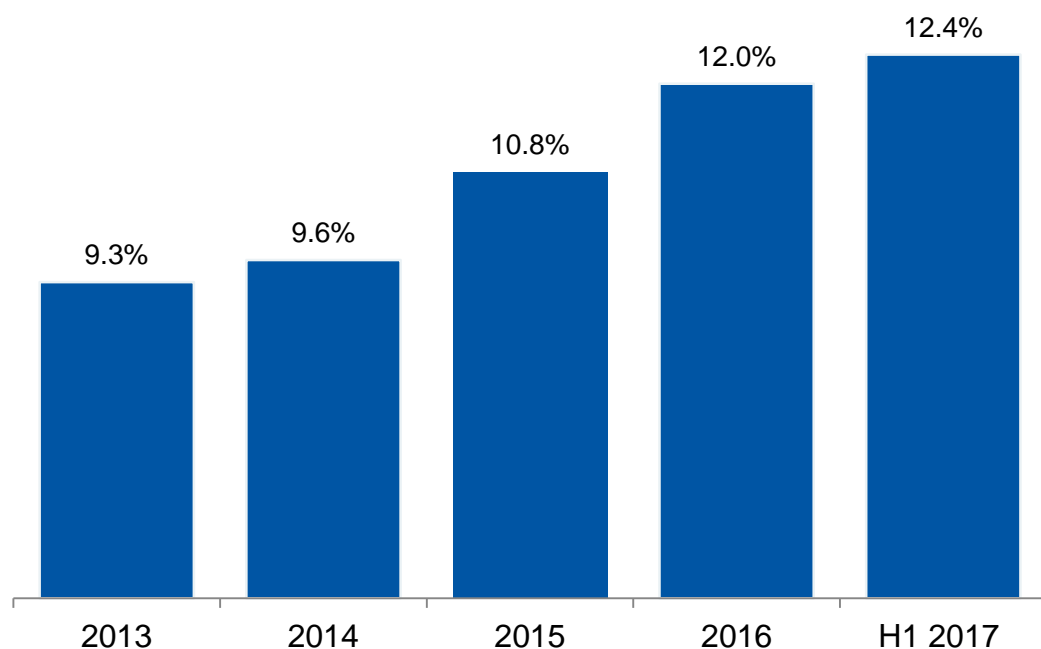
# Adjacent Markets - Industrial & Specialty Group



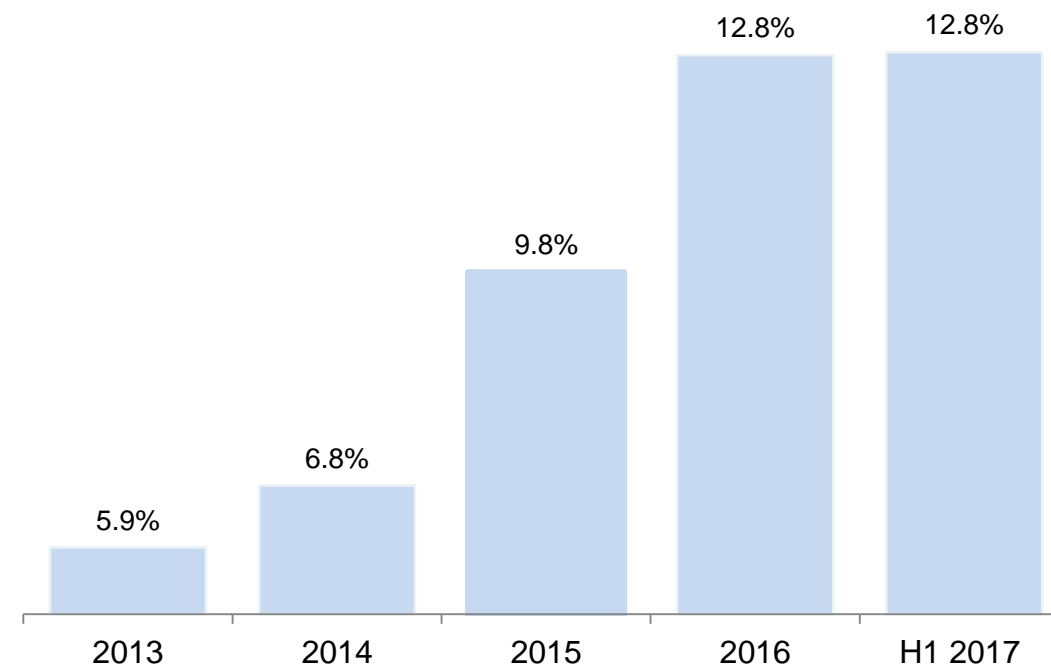
- Leverage core technologies in immediate adjacencies
- \$2.2 billion addressable market
  - Electric vehicles
  - Commercial vehicles
  - Agriculture
  - Construction
  - Power sports
  - Marine
  - Aftermarket

# Track Record of Increasing Margins and ROIC

## Adjusted EBITDA<sup>1</sup> Margin



## Return on Invested Capital<sup>2</sup>



1 See appendix for information regarding non-GAAP items

2 Defined as TTM net operating profit after tax/average invested capital. Source: Bloomberg

# Cooper Standard – *Near-term Value Drivers*

1

**Continued focus on improving operating efficiency**

2

**Anticipated incremental savings following completion of European restructuring**

3

**Aggressive growth and improving capacity utilization in China**

4

**Optimized cost structure (75% variable vs 25% fixed) and proactive measures to reduce overhead**

5

**Leveraging innovative products and technology in automotive and adjacent markets**

6

**Leveraging strong balance sheet to take advantage of strategic M&A opportunities or return capital to shareholders**

# APPENDIX

# Adjusted EBITDA Margin

(USD thousands)

	Twelve Months Ended			Six Months Ended
	31-Dec-14	31-Dec-15	31-Dec-16	30-Jun-17
Net income attributable to Cooper Standard Holdings, Inc.	\$ 42,779	\$ 111,880	\$ 138,988	\$ 82,162
Income tax expense	42,810	41,218	54,321	32,420
Interest expense, net of interest income	45,604	38,331	41,389	21,532
Depreciation and amortization	112,580	114,427	122,660	65,045
<b>EBITDA</b>	<b>\$ 243,773</b>	<b>\$ 305,856</b>	<b>\$ 357,358</b>	<b>\$ 201,159</b>
Restructuring charges <sup>(1)</sup>	17,188	53,844	46,031	18,311
Impairment charges <sup>(2)</sup>	26,273	21,611	1,273	4,270
Gain on divestiture <sup>(3)</sup>	(14,568)	(8,033)	-	-
Loss on refinancing and extinguishment of debt <sup>(4)</sup>	30,488	-	5,104	1,020
Secondary offering fees and other expenses <sup>(5)</sup>	-	-	6,500	-
Amortization of inventory write-up <sup>(6)</sup>	-	1,419	-	-
Gain on remeasurement of previously held equity interest <sup>(7)</sup>	-	(14,199)	-	-
Settlement charges <sup>(8)</sup>	3,637	-	281	-
Share-based compensation <sup>(9)</sup>	2,770	(71)	-	-
Acquisition Costs	740	1,637	-	-
Other	1,236	301	155	-
<b>Adjusted EBITDA</b>	<b>\$ 311,537</b>	<b>\$ 362,365</b>	<b>\$ 416,702</b>	<b>\$ 224,760</b>
<b>Sales</b>	<b>\$ 3,243,987</b>	<b>\$ 3,342,804</b>	<b>\$ 3,472,891</b>	<b>\$1,811,196</b>
<b>Adjusted EBITDA Margin (Adj. EBITDA/Sales )</b>	<b>9.6%</b>	<b>10.8%</b>	<b>12.0%</b>	<b>12.4%</b>

(1) Includes non-cash impairment charges related to restructuring and is net of non-controlling interest.

(2) Impairment charges related to fixed assets.

(3) Gain on sale of thermal and emissions product line in 2014 and hard coat plastic trim business in 2015.

(4) Loss on extinguishment of debt relating to the repurchase of our Senior Notes and Senior PIK toggle notes in 2014, refinancing of our term loan facility in 2016 and amendment to the term loan facility in May 2017

(5) Fees and other expenses associated with the March 2016 secondary offering.

(6) Amortization of write-up of inventory to fair value for the Shenya acquisition

(7) Loss on refinancing and extinguishment of debt relating to the refinancing of our term loan facility.

(8) Settlement charges related to the initiative to de-risk the U.K pension plans.

(9) Non-cash stock amortization expense and non-cash stock option expense for grants issued at emergence from bankruptcy.