

STRONG SALES GROWTH AND CONTINUING MARGIN IMPROVEMENT HIGHLIGHT COOPER STANDARD'S SECOND QUARTER 2023 RESULTS

NORTHVILLE, Mich., Aug. 3, 2023 /PRNewswire/ -- Cooper-Standard Holdings Inc. (NYSE: CPS) today reported results for the second quarter 2023.

Second Quarter 2023 Summary

- **Sales totaled \$723.7 million, an increase of 19.4% compared to second quarter 2022**
- **Gross profit totaled \$77.7 million, an increase of 405.4% compared to second quarter 2022**
- **Net loss of \$27.8 million, or \$(1.61) per diluted share, reflected an improvement of \$5.4 million vs. the second quarter 2022**
- **Adjusted EBITDA of \$47.9 million, or 6.6% of sales, increased by \$58.3 million vs. the second quarter 2022**
- **Net new business awards of \$84.9 million, including \$36.4 million related to new electric vehicle programs**

"Our second quarter results reflect continuing world-class operational execution and performance, improved and more stable production volumes, and the continuing implementation of our enhanced commercial agreements," said Jeffrey Edwards, chairman and CEO, Cooper Standard. "We believe these positive trends and margin expansion will continue through the second half of the year, putting us on track to achieve full year results in line with our initial 2023 guidance."

Consolidated Results

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
(dollar amounts in millions except per share amounts)				
Sales	\$ 723.7	\$ 605.9	\$ 1,406.2	\$ 1,218.9
Net loss	\$ (27.8)	\$ (33.2)	\$ (158.2)	\$ (94.6)
Adjusted net loss	\$ (20.0)	\$ (58.5)	\$ (66.1)	\$ (109.9)
Loss per diluted share	\$ (1.61)	\$ (1.93)	\$ (9.15)	\$ (5.51)
Adjusted loss per diluted share	\$ (1.15)	\$ (3.40)	\$ (3.83)	\$ (6.40)
Adjusted EBITDA	\$ 47.9	\$ (10.4)	\$ 60.4	\$ (10.2)

The year-over-year increase in second quarter sales was primarily attributable to favorable volume and mix as well as realized recoveries of material cost inflation, which are reflected in customer price adjustments. These were partially offset by foreign exchange.

Net loss for the second quarter 2023 was \$27.8 million, including restructuring charges of \$8.5 million and other special items. Net loss for the second quarter 2022 was \$33.2 million, including restructuring charges of \$3.5 million and other special items. Adjusted net loss, which excludes restructuring, other special items and their related tax impact, was \$20.0 million in the second quarter 2023 compared to adjusted net loss of \$58.5 million in the second quarter of 2022. The year-over-year improvement was primarily due to improved volume and mix and favorable price adjustments, partially offset by higher interest expense, continuing inflationary pressure, including higher labor and energy costs, and unfavorable foreign exchange.

Adjusted EBITDA for the second quarter of 2023 was \$47.9 million compared to \$(10.4) million in the second quarter of 2022. The year-over-year improvement was primarily due to improved volume and mix, favorable price adjustments, and savings generated from lean manufacturing and purchasing initiatives. These items were partially offset by continuing inflationary pressures, including higher labor and energy costs, and unfavorable foreign exchange.

Adjusted net loss, adjusted EBITDA and adjusted loss per diluted share are non-GAAP measures. Reconciliations to the most directly comparable financial measures, calculated and presented in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"), are provided in the attached supplemental schedules.

Automotive New Business Awards

The Company continues to leverage its world-class engineering and manufacturing capabilities, its innovation programs and its reputation for quality and service to win new business awards with its customers and capitalize on positive trends associated with electric vehicles. During the second quarter of 2023, the Company received total net new business awards representing \$84.9 million in incremental anticipated future annualized sales. The total included \$36.4 million in net new business awards on electric vehicle platforms.

Segment Results of Operations

Sales

	Three Months Ended June 30,			Variance Due To:	
	2023	2022	Change	Volume / Mix*	Foreign Exchange
(dollar amounts in thousands)					
Sales to external customers					
North America	\$ 368,810	\$ 331,687	\$ 37,123	\$ 39,691	\$ (2,568)
Europe	177,897	126,287	51,610	47,513	4,097
Asia Pacific	111,222	85,779	25,443	31,750	(6,307)
South America	33,514	26,261	7,253	7,460	(207)
Total Automotive	691,443	570,014	121,429	126,414	(4,985)
Corporate, eliminations and other	32,297	35,903	(3,606)	(3,905)	299
Consolidated sales	<u>\$ 723,740</u>	<u>\$ 605,917</u>	<u>\$ 117,823</u>	<u>\$ 122,509</u>	<u>\$ (4,686)</u>

* Net of customer price adjustments, including recoveries

- Volume and mix, net of customer price adjustments including recoveries, was mainly driven by vehicle production volume increases due to the stabilization of the supply environment and elimination of prior year COVID-19 related restrictions in China.
- The impact of foreign currency exchange was primarily related to the Chinese Renminbi, Euro and Canadian Dollar.

Adjusted EBITDA

	Three Months Ended June 30,			Variance Due To:		
	2023	2022	Change	Volume/ Mix*	Foreign Exchange	Cost (Increases)/ Decreases
(dollar amounts in thousands)						
Segment adjusted EBITDA						
North America	\$ 23,849	\$ 15,441	\$ 8,408	\$ 11,632	\$ (8,280)	\$ 5,056
Europe	16,260	(15,316)	31,576	31,036	(1,559)	2,099
Asia Pacific	7,194	(7,799)	14,993	9,700	2,093	3,200
South America	3,375	(1,298)	4,673	2,194	1,679	800
Total Automotive	50,678	(8,972)	59,650	54,562	(6,067)	11,155
Corporate, eliminations and other	(2,739)	(1,402)	(1,337)	615	100	(2,052)
Consolidated adjusted EBITDA	<u>\$ 47,939</u>	<u>\$ (10,374)</u>	<u>\$ 58,313</u>	<u>\$ 55,177</u>	<u>\$ (5,967)</u>	<u>\$ 9,103</u>

* Net of customer price adjustments, including recoveries

- Volume and mix, net of customer price adjustments including recoveries, was driven by vehicle production volume increases due to the stabilization of the supply environment and elimination of prior year COVID-19 related restrictions in China.
- The impact of foreign currency exchange was primarily related to the Mexican Peso, Canadian Dollar and Polish Zloty.
- The Cost (Increases) / Decreases category above includes:
 - Commodity cost and inflationary economics; and
 - Manufacturing and purchasing savings through lean initiatives.

Cash and Liquidity

As of June 30, 2023, Cooper Standard had cash and cash equivalents totaling \$73.1 million. Total liquidity, including availability under the Company's amended senior asset-based revolving credit facility, was \$229.6 million at the end of the second quarter 2023. The amended senior asset-based revolving credit facility was undrawn at quarter end.

Based on current expectations for light vehicle production and customer demand for our products, the Company believes it has sufficient financial resources to support ongoing operations and the execution of planned strategic initiatives for the foreseeable future. These financial resources include current cash on hand, continuing access to flexible credit facilities, and expected future positive cash generation.

Outlook

Industry projections for global light vehicle production anticipate continued modest growth through the remainder of the year. The Company expects to leverage incremental production volumes to drive further operating efficiencies. In addition, the Company expects to successfully conclude certain remaining commercial negotiations in the third quarter to drive additional inflation recovery and positive, sustainable price adjustments. As a result, the Company anticipates delivering further top line growth and margin expansion in the second half of the year. For the full year, Company management expects results for Sales and Adjusted EBITDA will be in line with the initial 2023 guidance it provided in February.

	Initial 2023 Guidance ¹ (February 2023)	Current 2023 Guidance
Sales	\$2.6 - \$2.8 billion	\$2.6 - \$2.8 billion
Adjusted EBITDA ²	\$150 - \$175 million	\$150 - \$175 million
Capital Expenditures	\$70 - \$80 million	\$70 - \$80 million
Cash Restructuring	\$35 - \$40 million	\$20 - \$25 million
Cash Interest	\$50 - \$55 million	\$50 - \$55 million
Net Cash Taxes	\$10 - \$20 million	\$10 - \$20 million
Key Light Vehicle Productions Assumptions (Units)		
North America	15.1 million	15.5 million
Europe	16.5 million	17.4 million
Greater China	26.6 million	26.6 million
South America	3.0 million	2.8 million

¹ Guidance is representative of management's estimates and expectations as of the date it is published. Current guidance as presented in this press release considers July 2023 S&P Global (IHS Markit) production forecasts for relevant light vehicle platforms and models, customers' planned production schedules and other internal assumptions.

² Adjusted EBITDA is a non-GAAP financial measure. The Company has not provided a reconciliation of projected adjusted EBITDA to projected net income (loss) because full-year net income (loss) will include special items that have not yet occurred and are difficult to predict with reasonable certainty prior to year-end. Due to this uncertainty, the Company cannot reconcile projected adjusted EBITDA to U.S. GAAP net income (loss) without unreasonable effort.

Conference Call Details

Cooper Standard management will host a conference call and webcast on August 4, 2023 at 9 a.m. ET to discuss its second quarter 2023 results, provide a general business update and respond to investor questions. Investors and other interested parties may listen to the call by accessing the online, real-time webcast at

<https://ir.cooperstandard.com/events>.

To participate by phone, callers in the United States and Canada can dial toll-free at 877-870-4263 (international callers dial 412-317-0790) and ask to be connected to the Cooper Standard conference call. Representatives of the investment community will have the opportunity to ask questions during Q&A. Participants should dial-in at least five minutes prior to the start of the call.

A replay of the webcast will be available on the investors' portion of the Cooper Standard website (<https://ir.cooperstandard.com>) shortly after the live event.

About Cooper Standard

Cooper Standard, headquartered in Northville, Mich., with locations in 21 countries, is a leading global supplier of sealing and fluid handling systems and components. Utilizing our materials science and manufacturing expertise, we create innovative and sustainable engineered solutions for diverse transportation and industrial markets. Cooper Standard's approximately 23,000 employees are at the heart of our success, continuously improving our business and surrounding communities. Learn more at www.cooperstandard.com or follow us on Twitter @CooperStandard.

Forward Looking Statements

This press release 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," "outlook," "guidance," "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: volatility or decline of the Company's stock price, or absence of stock price appreciation; impacts, including commodity cost increases and disruptions related to the war in Ukraine and the COVID-related lockdowns in China; our ability to achieve commercial recoveries and to offset the adverse impact of higher commodity and other costs through pricing and other negotiations with our customers; the impact, and expected continued impact, of the COVID-19 outbreak on our financial condition and results of operations; significant risks to our liquidity presented by the COVID-19 pandemic risk; 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; competitive threats and commercial risks associated with our diversification strategy through our Advanced Technology Group; possible variability of our working capital requirements; risks associated with our international operations, including changes in laws, regulations, and policies governing the terms of foreign trade such as increased trade restrictions and tariffs; foreign currency exchange rate fluctuations; our ability to control the operations of our joint ventures for our sole benefit; our substantial amount of indebtedness and variable rates of interest; 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 and regulatory proceedings, claims or investigations against us; work stoppages or other labor disruptions with our employees or our customers' employees; the ability of our intellectual property to withstand legal challenges; cyber-attacks, data privacy concerns, other disruptions in, or the inability to implement upgrades to, our information technology systems; the possible volatility of our annual effective tax rate; the possibility of a failure to maintain effective controls and procedures; the possibility of future impairment charges to our goodwill and long-lived assets; our ability to identify, attract, develop and retain a skilled, engaged and diverse workforce; our ability to procure insurance at reasonable rates; and our dependence on our subsidiaries for cash to satisfy our obligations.; and other risks and uncertainties, including those detailed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission.

You should not place undue reliance on these forward-looking statements. Our forward-looking statements speak only as of the date of this press release and 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 press release 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.

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Financial statements and related notes follow:

COOPER-STANDARD HOLDINGS INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(Dollar amounts in thousands except per share and share amounts)

Three Months Ended June 30,

Six Months Ended June 30,

	2023	2022	2023	2022
Sales	\$ 723,740	\$ 605,917	\$ 1,406,198	\$ 1,218,901
Cost of products sold	646,026	590,541	1,286,656	1,181,983
Gross profit	77,714	15,376	119,542	36,918
Selling, administration & engineering expenses	54,605	52,282	106,694	104,186
Gain on sale of fixed assets, net	—	(33,391)	—	(33,391)
Amortization of intangibles	1,672	1,737	3,479	3,483
Restructuring charges	8,499	3,482	10,878	11,313
Impairment charges	654	3	654	458
Operating profit (loss)	12,284	(8,737)	(2,163)	(49,131)
Interest expense, net of interest income	(34,034)	(18,454)	(64,254)	(36,631)
Equity in earnings (losses) of affiliates	656	(3,446)	458	(4,802)
Loss on refinancing and extinguishment of debt	—	—	(81,885)	—
Other expense, net	(2,561)	(1,509)	(6,565)	(2,720)
Loss before income taxes	(23,655)	(32,146)	(154,409)	(93,284)
Income tax expense	4,765	2,005	5,123	2,657
Net loss	(28,420)	(34,151)	(159,532)	(95,941)
Net loss attributable to noncontrolling interests	591	904	1,336	1,334
Net loss attributable to Cooper-Standard Holdings Inc.	<u>\$ (27,829)</u>	<u>\$ (33,247)</u>	<u>\$ (158,196)</u>	<u>\$ (94,607)</u>
Weighted average shares outstanding				
Basic	17,334,918	17,189,128	17,282,462	17,162,915
Diluted	17,334,918	17,189,128	17,282,462	17,162,915
Loss per share:				
Basic	<u>\$ (1.61)</u>	<u>\$ (1.93)</u>	<u>\$ (9.15)</u>	<u>\$ (5.51)</u>
Diluted	<u>\$ (1.61)</u>	<u>\$ (1.93)</u>	<u>\$ (9.15)</u>	<u>\$ (5.51)</u>

COOPER-STANDARD HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollar amounts in thousands)

	June 30, 2023	December 31, 2022
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 73,063	\$ 186,875
Accounts receivable, net	390,033	358,700
Tooling receivable, net	94,579	95,965

Inventories	172,999	157,756
Prepaid expenses	25,779	31,170
Income tax receivable and refundable credits	13,315	13,668
Other current assets	114,108	101,515
Total current assets	883,876	945,649
Property, plant and equipment, net	624,073	642,860
Operating lease right-of-use assets, net	87,341	94,571
Goodwill	142,114	142,023
Intangible assets, net	43,702	47,641
Other assets	89,713	90,785
Total assets	<u>\$ 1,870,819</u>	<u>\$ 1,963,529</u>

Liabilities and Equity

Current liabilities:

Debt payable within one year	\$ 49,813	\$ 54,130
Accounts payable	357,682	338,210
Payroll liabilities	106,865	99,029
Accrued liabilities	141,956	119,463
Current operating lease liabilities	19,099	20,786
Total current liabilities	675,415	631,618
Long-term debt	1,012,289	982,054
Pension benefits	101,369	98,481
Postretirement benefits other than pensions	31,163	31,014
Long-term operating lease liabilities	72,156	77,617
Other liabilities	40,130	41,553
Total liabilities	1,932,522	1,862,337

Equity:

Common stock, \$0.001 par value, 190,000,000 shares authorized; 19,262,362 shares issued and 17,196,553 shares outstanding as of June 30, 2023, and 19,173,838 shares issued and 17,108,029 outstanding as of December 31, 2022

	17	17
Additional paid-in capital	509,106	507,498
Retained deficit	(348,027)	(189,831)
Accumulated other comprehensive loss	(215,325)	(209,971)
Total Cooper-Standard Holdings Inc. equity	(54,229)	107,713
Noncontrolling interests	(7,474)	(6,521)
Total equity	(61,703)	101,192
Total liabilities and equity	<u>\$ 1,870,819</u>	<u>\$ 1,963,529</u>

COOPER-STANDARD HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollar amounts in thousands)

	Six Months Ended June 30,	
	2023	2022
Operating Activities:		
Net loss	\$ (159,532)	\$ (95,941)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	52,319	60,062
Amortization of intangibles	3,479	3,483
Gain on sale of fixed assets, net	—	(33,391)
Impairment charges	654	458
Share-based compensation expense	2,705	1,625
Equity in losses of affiliates, net of dividends related to earnings	720	7,804
Loss on refinancing and extinguishment of debt	81,885	—
Payment-in-kind interest	27,500	—
Deferred income taxes	20	(5,096)
Other	2,376	1,178
Changes in operating assets and liabilities	5,024	59,583
Net cash provided by (used in) operating activities	17,150	(235)
Investing activities:		
Capital expenditures	(46,760)	(44,278)
Proceeds from sale of fixed assets	—	52,633
Other	1,638	32
Net cash (used in) provided by investing activities	(45,122)	8,387
Financing activities:		
Proceeds from issuance of long-term debt, net of debt issuance costs	925,020	—
Repayment and refinancing of long-term debt	(927,046)	—
Principal payments on long-term debt	(949)	(2,536)
Decrease in short-term debt, net	(1,240)	(1,666)
Debt issuance costs and other fees	(74,376)	—
Taxes withheld and paid on employees' share-based payment awards	(209)	(526)
Other	(238)	651
Net cash used in financing activities	(79,038)	(4,077)
Effects of exchange rate changes on cash, cash equivalents and restricted cash	(4,565)	7,103
Changes in cash, cash equivalents and restricted cash	(111,575)	11,178
Cash, cash equivalents and restricted cash at beginning of period	192,807	251,128

Cash, cash equivalents and restricted cash at end of period	\$	81,232	\$	262,306
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Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheets:

	Balance as of	
	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 73,063	\$ 186,875
Restricted cash included in other current assets	6,550	4,650
Restricted cash included in other assets	1,619	1,282
Total cash, cash equivalents and restricted cash	<u>\$ 81,232</u>	<u>\$ 192,807</u>

Non-GAAP Measures

EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss), adjusted earnings (loss) per share and free cash flow are measures not recognized under U.S. GAAP and which exclude certain non-cash and special items that may obscure trends and operating performance not indicative of the Company's core financial activities. Net new business is a measure not recognized under U.S. GAAP which is a representation of potential incremental future revenue but which may not fully reflect all external impacts to future revenue. Management considers EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss), adjusted earnings (loss) per share, free cash flow and net new business to be key indicators of the Company's operating performance and believes that these and similar measures are widely used by investors, securities analysts and other interested parties in evaluating the Company's performance. In addition, similar measures are utilized in the calculation of the financial covenants and ratios contained in the Company's financing arrangements and management uses these measures for developing internal budgets and forecasting purposes. EBITDA is defined as net income (loss) adjusted to reflect income tax expense (benefit), interest expense net of interest income, depreciation and amortization, and adjusted EBITDA is defined as EBITDA further adjusted to reflect certain items that management does not consider to be reflective of the Company's core operating performance. Adjusted net income (loss) is defined as net income (loss) adjusted to reflect certain items that management does not consider to be reflective of the Company's core operating performance. Adjusted EBITDA margin is defined as adjusted EBITDA as a percentage of sales. Adjusted basic and diluted earnings (loss) per share is defined as adjusted net income (loss) divided by the weighted average number of basic and diluted shares, respectively, outstanding during the period. Free cash flow is defined as net cash provided by operating activities minus capital expenditures and is useful to both management and investors in evaluating the Company's ability to service and repay its debt. Net new business reflects anticipated sales from formally awarded programs, less lost business, discontinued programs and replacement programs and is based on S&P Global (IHS Markit) forecast production volumes. The calculation of "net new business" does not reflect customer price reductions on existing programs and may be impacted by various assumptions embedded in the respective calculation, including actual vehicle production levels on new programs, foreign exchange rates and the timing of major program launches.

When analyzing the Company's operating performance, investors should use EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss), adjusted earnings (loss) per share, free cash flow and net new business as supplements to, and not as alternatives for, net income (loss), operating income, or any other performance measure derived in accordance with U.S. GAAP, and not as an alternative to cash flow from operating activities as a measure of the Company's liquidity. EBITDA, adjusted EBITDA, adjusted net income (loss), adjusted earnings (loss) per share, free cash flow and net new business 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 U.S. GAAP. Other companies may report EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss), adjusted earnings (loss) per share, free cash flow and net new business differently and therefore the Company's results may not be comparable to other similarly titled measures of other companies. In addition, in evaluating adjusted EBITDA and adjusted net income (loss), it should be noted that in the future the Company may incur expenses similar to or in excess of the adjustments in the below presentation. This presentation of adjusted EBITDA and adjusted net income (loss) should not be construed as an inference that the Company's future results will be unaffected by special items. Reconciliations of EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net income (loss) and free cash flow follow.

Reconciliation of Non-GAAP Measures

EBITDA and Adjusted EBITDA (Unaudited) (Dollar amounts in thousands)

The following table provides a reconciliation of EBITDA and adjusted EBITDA from net loss:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net loss attributable to Cooper-Standard Holdings Inc.	\$ (27,829)	\$ (33,247)	\$ (158,196)	\$ (94,607)
Income tax expense	4,765	2,005	5,123	2,657

Interest expense, net of interest income	34,034	18,454	64,254	36,631
Depreciation and amortization	27,816	31,412	55,798	63,545
EBITDA	\$ 38,786	\$ 18,624	\$ (33,021)	\$ 8,226
Restructuring charges	8,499	3,482	10,878	11,313
Deconsolidation of joint venture ⁽¹⁾	—	—	—	2,257
Impairment charges ⁽²⁾	654	3	654	458
Gain on sale of fixed assets, net ⁽³⁾	—	(33,391)	—	(33,391)
Indirect tax adjustments ⁽⁴⁾	—	908	—	908
Loss on refinancing and extinguishment of debt ⁽⁵⁾	—	—	81,885	—
Adjusted EBITDA	<u>\$ 47,939</u>	<u>\$ (10,374)</u>	<u>\$ 60,396</u>	<u>\$ (10,229)</u>
Sales	\$ 723,740	\$ 605,917	\$ 1,406,198	\$ 1,218,901
Net loss margin	(3.8) %	(5.5) %	(11.2) %	(7.8) %
Adjusted EBITDA margin	6.6 %	(1.7) %	4.3 %	(0.8) %

(1) Loss attributable to deconsolidation of a joint venture in the Asia Pacific region, which required adjustment to fair value.

(2) Non-cash impairment charges in 2023 related to certain assets in Asia Pacific and non-cash impairment charges in 2022 related to idle assets in Europe.

(3) In the first quarter of 2022, the Company signed a sale-leaseback agreement on one of its European facilities, and a gain was recognized in the second quarter of 2022.

(4) Impact of prior period indirect tax adjustments.

(5) Loss on refinancing and extinguishment of debt relating to the Refinancing Transactions.

Adjusted Net Loss and Adjusted Loss Per Share

(Unaudited)

(Dollar amounts in thousands except per share and share amounts)

The following table provides a reconciliation of net loss to adjusted net loss and the respective loss per share amounts:

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net loss attributable to Cooper-Standard Holdings Inc.	\$ (27,829)	\$ (33,247)	\$ (158,196)	\$ (94,607)
Restructuring charges	8,499	3,482	10,878	11,313
Deconsolidation of joint venture ⁽¹⁾	—	—	—	2,257
Impairment charges ⁽²⁾	654	3	654	458
Gain on sale of fixed assets, net ⁽³⁾	—	(33,391)	—	(33,391)
Indirect tax adjustments ⁽⁴⁾	—	908	—	908
Loss on refinancing and extinguishment of debt ⁽⁵⁾	—	—	81,885	—
Tax impact of adjusting items ⁽⁶⁾	(1,284)	3,768	(1,355)	3,184
Adjusted net loss	<u>\$ (19,960)</u>	<u>\$ (58,477)</u>	<u>\$ (66,134)</u>	<u>\$ (109,878)</u>

Weighted average shares outstanding:

Basic	17,334,918	17,189,128	17,282,462	17,162,915
Diluted	17,334,918	17,189,128	17,282,462	17,162,915

Loss per share:

Basic	\$ (1.61)	\$ (1.93)	\$ (9.15)	\$ (5.51)
Diluted	\$ (1.61)	\$ (1.93)	\$ (9.15)	\$ (5.51)

Adjusted loss per share:

Basic	\$ (1.15)	\$ (3.40)	\$ (3.83)	\$ (6.40)
Diluted	\$ (1.15)	\$ (3.40)	\$ (3.83)	\$ (6.40)

- (1) Loss attributable to deconsolidation of a joint venture in the Asia Pacific region, which required adjustment to fair value.
- (2) Non-cash impairment charges in 2023 related to certain assets in Asia Pacific and non-cash impairment charges in 2022 related to idle assets in Europe.
- (3) In the first quarter of 2022, the Company signed a sale-leaseback agreement on one of its European facilities, and a gain was recognized in the second quarter of 2022.
- (4) Impact of prior period indirect tax adjustments.
- (5) Loss on refinancing and extinguishment of debt relating to the Refinancing Transactions.
- (6) Represents the elimination of the income tax impact of the above adjustments by calculating the income tax impact of these adjusting items using the appropriate tax rate for the jurisdiction where the charges were incurred and other discrete tax expense.

Free Cash Flow
(Unaudited)
(Dollar amounts in thousands)

The following table defines free cash flow:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net cash (used in) provided by operating activities	\$ (13,229)	\$ 11,978	\$ 17,150	\$ (235)
Capital expenditures	(17,497)	(11,964)	(46,760)	(44,278)
Free cash flow	<u>\$ (30,726)</u>	<u>\$ 14</u>	<u>\$ (29,610)</u>	<u>\$ (44,513)</u>

SOURCE Cooper Standard

<https://ir.cooperstandard.com/2023-08-03-Strong-Sales-Growth-and-Continuing-Margin-Improvement-Highlight-Cooper-Standards-Second-Quarter-2023-Results>