



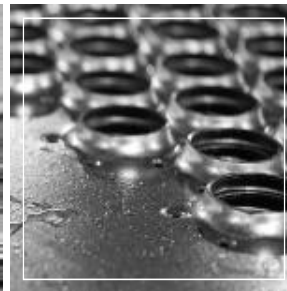
SEATING



FINISHING



ACOUSTICS



COMPONENTS

SECOND QUARTER 2015 EARNINGS CALL /// **JULY 31, 2015**

David Westgate, Chief Executive Officer  
Sarah Sutton, Chief Financial Officer  
Jeffry Quinn, Chairman  
Chad Paris, Vice President, Investor Relations

# DISCLAIMER

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## **FORWARD LOOKING STATEMENTS**

This presentation includes “forward looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “anticipate,” “believe,” “expect,” “estimate,” “plan,” “outlook,” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such forward looking statements with respect to revenues, earnings, financial information, performance, strategies, prospects and other aspects of the businesses of Jason Industries, Inc. (the “Company”) are based on current expectations that are subject to risks and uncertainties. A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward looking statements.

The forward-looking statements contained in this presentation are based on assumptions that we have made in light of our industry experience and our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. The forward-looking statements are not guarantees of performance or results, as they involve risks, uncertainties (some of which are beyond our control) and assumptions. Although we believe that these forward-looking statements are based on reasonable assumptions, many factors could affect our actual results and cause them to differ materially from those anticipated in the forward-looking statements.

More information on potential factors that could affect the Company’s financial condition and operating results is included in “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the Company’s Annual Report on Form 10-K filed on March 11, 2015, and in the Company’s other filings with the Securities and Exchange Commission. Any forward-looking statement made by the Company in this presentation speaks only as of the date on which we make it. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

## **NON-GAAP AND OTHER COMPANY INFORMATION**

Included in this presentation are certain non-GAAP financial measures designed to complement the financial information presented in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors. Because the Company’s calculations of these measures may differ from similar measures used by other companies, you should be careful when comparing the Company’s non-GAAP financial measures to those of other companies. A reconciliation of non-GAAP financial measures to GAAP financial measures is included in an appendix to this presentation.

# AGENDA

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OPENING COMMENTS

DAVE WESTGATE

FIRST QUARTER RESULTS

SARAH SUTTON

2015 OUTLOOK

SARAH SUTTON

BUSINESS & DRONCO UPDATE

DAVE WESTGATE

CHAIRMAN'S REMARKS

JEFFRY QUINN

Q&A



- Volume Growth and Significant Margin Expansion In Acoustics and Components
- Softness in Some End Markets
- DRONCO Integration On Track
- Operational Excellence and Growth Remain Our Focus

### **EXECUTION DRIVING IMPROVED RESULTS**

# SECOND QUARTER RESULTS



FINANCIAL RESULTS SUMMARY					
(in millions)	<u>1Q 2015</u>	<u>2Q 2015</u>	<u>2Q 2014</u>	<u>2Q YoY</u>	<u>FX Impact</u>
Net sales	\$175.8	\$187.6	\$190.6	(1.6)%	(4.1)%
Adjusted EBITDA	\$21.0	\$24.9	\$23.8	\$1.1	\$(1.0)
Adjusted EBITDA Margin	11.9%	13.3%	12.5%	80 bps	-

NET SALES OF \$187.6 MILLION, DECLINED 1.6%

- Foreign Currency Translation Negatively Impacted Sales 4.1%
- Acquisition Growth From DRONCO of \$3.5 Million or 1.8%
- Organic Sales Growth of 0.7%

ADJUSTED EBITDA MARGINS OF 13.3%, INCREASED 80 BPS

- Margin Expansion In Acoustics And Components
- Lower Margins In Finishing And Seating
- Operational Improvements and Lower Material Costs Drive Margin Expansion

# SECOND QUARTER RESULTS



## FINANCIAL RESULTS SUMMARY

(in millions, except per share amounts)

	<u>1Q 2015</u>	<u>2Q 2015</u>	<u>2Q 2014</u>	<u>2Q</u> <u>Y-O-Y</u>
Adjusted Net Income	\$ 2.0	\$ 3.4	\$ 9.9	\$(6.5)
Adjusted Earnings Per Share	\$ 0.07	\$ 0.12	N/A <sup>1</sup>	N/A <sup>1</sup>

### ADJUSTED NET INCOME OF \$3.4 MILLION

- Business Combination Impacting Interest, Depreciation, and Amortization

- 1) Adjusted Earnings Per Share is not provided for periods prior to the Business Combination on June 30, 2014 as it is not comparable due to the change in the Company's capital structure.
- 2) See Appendix for Reconciliation of Non-GAAP Measures

# SECOND QUARTER RESULTS



SALES				
(in millions)	<u>2<sup>nd</sup> Quarter</u>		<u>Y-O-Y</u>	<u>FX</u>
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>Impact</u>
Seating	\$51.9	\$52.6	\$(0.7)	\$(0.4)
Finishing	46.6	50.1	(3.5)	(5.9)
Acoustics	56.1	56.9	(0.8)	(1.5)
Components	<u>33.0</u>	<u>31.0</u>	<u>2.0</u>	<u>-</u>
Total	\$187.6	\$190.6	\$(3.0)	\$(7.8)

- **Seating Softness Continues**

- Lower Volumes In Motorcycle and Turf Care
- Growth In Heavy Industry And Power Sports Offsetting Softness

- **DRONCO Acquisition Growth of 6.9% Within Finishing**

- 11.7% Due to Foreign Currency Translation
- Finishing Organic Sales Declined 2.1%
- Softening European Industrial Demand

- **Acoustics Organic Sales Growth of 1.2%**

- 2.6% Due To Foreign Currency Translation
- Growth In New Platform Awards and New Product Launches

- **Components Sales Growth of 6.4%**

- Growth Driven By Continued Rail Strength

# SECOND QUARTER RESULTS



## ADJUSTED EBITDA

(in millions)

	2 <sup>nd</sup> Quarter				Y-O-Y Change	Bps Change
	2015	% of Sales	2014	% of Sales		
Seating	\$9.3	17.9%	\$9.6	18.2%	\$(0.3)	-30
Finishing	6.7	14.4	7.5	15.0	(0.8)	-60
Acoustics	7.3	13.1	5.2	9.2	2.1	+390
Components	5.5	16.8	4.5	14.4	1.0	+240
Corporate	<u>(4.0)</u>		<u>(3.0)</u>		<u>1.0</u>	—
Total	\$24.9	13.3%	\$23.8	12.5%	\$1.1	+80

- **Seating Adjusted EBITDA Margin of 17.9%**
  - Down 30 Bps
  - Sales Softness Partially Offset By Cost Reductions
- **Finishing Adjusted EBITDA Margin of 14.4%**
  - Excluding Foreign Currency Impact 14.6%
  - DRONCO Dilutive to Margins 20 Bps
- **Acoustics Adjusted EBITDA Margin of 13.1%**
  - Substantial Margin Expansion Over Prior Year
  - Improved Operational Efficiencies With Focus on Execution
  - Increasing Volumes
  - Favorable Raw Material Pricing
- **Components Adjusted EBITDA Margin of 16.8%**
  - Up 240 Bps
  - Strong Product Mix And Lower Input Costs in Metals



# FINANCIAL POSITION



## LIQUIDITY & DEBT

(in millions)

	<u>1Q15</u>	<u>2Q15</u>	
Cash	\$ 54.9	\$ 33.0	
Revolver Availability	<u>45.0</u>	<u>45.6</u>	
Total Liquidity	\$ 99.9	\$ 78.6	
	<u>1Q15</u>	<u>2Q15</u>	<u>Maturity</u>
First Lien	\$ 309.2	\$ 308.4	2021
Second Lien	110.0	110.0	2022
Other	<u>7.2</u>	<u>22.8</u>	
	\$ 426.4	\$ 441.2	
Net Debt To Adjusted EBITDA	4.8X	5.0X	

## FREE CASH FLOW

	<u>1Q15</u>	<u>2Q15</u>	<u>YTD</u>
Adjusted EBITDA	\$ 21.0	\$ 24.9	\$ 45.9
Cash Interest/Taxes	(1.0)	(7.9)	(8.9)
Cash Restructuring	(1.7)	(2.3)	(4.0)
Changes In Working Capital	<u>(15.1)</u>	<u>3.4</u>	<u>(11.7)</u>
Operating Cash Flow	\$ 3.2	\$ 18.1	\$ 21.3
Less: Capital Expenditures	\$ (7.2)	\$ (8.1)	\$ (15.3)
Less: Preferred Dividends	<u>(0.9)</u>	<u>(0.9)</u>	<u>(1.8)</u>
Free Cash Flow* After Dividends	\$ (4.9)	\$ 9.1	\$ 4.2

- Q2 Impacted by DRONCO Acquisition of \$34.5 Million in Cash and \$11.2 Million of Debt Assumed

## STRONG CASH GENERATION IN SECOND QUARTER

\*See Appendix for Calculation of Net Debt to Adjusted EBITDA

# CAPITAL ALLOCATION



## INVEST IN GROWTH

### CAPITAL EXPENDITURES

- Target 3.0% - 3.5% of Sales

Investing in Acoustics Platform Awards

### ACQUISITIONS

- Strategic Acquisitions
- High Growth Adjacent Markets
- Expand Global Presence
- Accretive to Margins After Synergies

Short Term Focus  
On DRONCO Integration

## STRENGTHEN THE BALANCE SHEET

- Maximize Free Cash Flow
- Target Net Debt to LTM Adjusted EBITDA of <3.0x

**Expect Net Debt to Adjusted EBITDA to be 4.5x by Year End**

\*See Appendix for Calculation of Net Debt to Adjusted EBITDA

# FISCAL 2015 OUTLOOK

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Revenue (in millions): - Organic Growth*	\$708 - \$723 2% to 4%
Adjusted EBITDA (in millions):	\$87 - \$91
Cap Ex As % Of Sales:	4.5% - 5.0%

## **REAFFIRMING 2015 OUTLOOK ADJUSTED EBITDA OUTLOOK UP ~14% OVER 2014**

\*Organic growth is presented on a constant currency basis.

# BUSINESS UPDATE

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## WHAT WE SEE

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- Acoustics

*Driver of Organic Growth in Second Half of 2015*

*New Product Launches*

- Seating

*Motorcycle and Heavy Industry Market Softness*

*Innovation in Heavy Industry with VersaStyle Seats*

- Components

*Strong Demand in Rail Products*

*Investing in Growth for Industrial Customers*

- Finishing

*Focus on Organic Growth*

*Continued Margin Expansion*



# DRONCO INTEGRATION UPDATE

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## OUR FIRST 60 DAYS

- Acquired DRONCO on May 29, 2015
- Management Team Is Focused
- Integration Efforts Are Underway
- Cost Synergies On Track - \$2.5 Million Within 18 Months
- Cross Selling Efforts Starting with Integration Into Finishing Global Sales & Distribution Network



# CLOSING COMMENTS

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## SECOND HALF KEYS TO SUCCESS

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- Continued Focus on Growth and Margin Expansion
- Key Acoustics Launches in Fourth Quarter
- DRONCO Integration
- Free Cash Flow Generation



**EXECUTION DRIVING FREE CASH FLOW**



**JASON**

CHAIRMAN'S REMARKS



**JASON**

Q&A





**JASON**

APPENDIX

# ADJUSTED EBITDA RECONCILIATION



	<u>2Q15</u>	<u>2Q14</u>
<i>(in millions)</i>		
<b>Net Income</b>	<b>(\$0.9)</b>	<b>\$5.2</b>
Tax provision	0.6	0.6
Interest expense	8.0	3.8
Depreciation and amortization	11.5	6.5
Loss on disposals of fixed assets - net	-	0.2
<b>EBITDA</b>	<b>19.2</b>	<b>16.3</b>
Adjustments:		
Restructuring	1.0	1.9
Transaction-related expenses	0.7	3.2
Integration and other restructuring costs	1.1	2.1
Sponsor fees	-	0.3
Gain from sale of joint ventures	-	-
Share-based compensation	2.9	-
Total adjustments	5.7	7.5
<b>Adjusted EBITDA</b>	<b>\$24.9</b>	<b>\$23.8</b>

# ADJUSTED NET INCOME & ADJUSTED EARNINGS PER SHARE



	<u>2Q15</u>	<u>2Q14</u>
<i>(in millions, except per share amounts)</i>		
<b>GAAP Net Income</b>	<b>\$(0.9)</b>	<b>\$5.2</b>
Adjustments:		
Restructuring	1.0	1.9
Transaction-related expenses	0.7	3.2
Integration and other restructuring costs	1.2	2.1
Sponsor fees	-	0.3
Gain from sale of joint ventures	-	-
Share-based compensation	2.9	-
Tax effect on adjustments	(1.5)	(2.8)
<b>Adjusted Net Income</b>	<b>\$3.4</b>	<b>\$9.9</b>
<b>Diluted weighted average number of common shares outstanding (non-GAAP)</b>	<b>29.2</b>	
<b>GAAP Net (Loss) income per share available to Common shareholders of Jason Industries</b>	<b>\$(0.07)</b>	
Adjustments net of income taxes:		
Restructuring	0.04	
Transaction-related expenses	0.03	
Integration and other restructuring costs	0.03	
Share-based compensation	0.09	
GAAP to non-GAAP impact per share	-	
<b>Adjusted earnings per share</b>	<b>\$0.12</b>	

# NET DEBT TO ADJUSTED EBITDA



	<u>June 26, 2015</u>
Current and long-term debt	\$ 434,702
Add: Debt discounts	6,514
Less: Cash and cash equivalents	<u>(32,967)</u>
<b>Net Debt</b>	<b>\$ 408,249</b>
Adjusted EBITDA	
3Q14	\$ 13,089
4Q14	18,871
1Q15	21,003
2Q15	<u>24,900</u>
TTM Adjusted EBITDA	\$ 77,863
Acquisitions TTM Adjusted EBITDA*	<u>3,478</u>
<b>Pro Forma TTM Adjusted EBITDA</b>	<b>\$ 81,341</b>
<b>Net Debt to Adjusted EBITDA</b>	<b>5.0x</b>

\*Acquisitions TTM Adjusted EBITDA includes Adjusted EBITDA prior to the date of the acquisition during the trailing twelve months.

