



SEATING



FINISHING



ACOUSTICS



COMPONENTS

THIRD QUARTER 2015 EARNINGS CALL /// **OCTOBER 30, 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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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

Q&A



- Operational Execution Drives Significant Margin Expansion In Acoustics and Components
- Seating Organic Growth of 15.7%:
  - Lower Q2 Sales Shifted Demand Into Q3
  - Initial Orders on New Business
  - Volume Increases and Mix Changes Resulted In Operational Inefficiencies
- Vehicle Production Mix Drives Automotive Assembly Plant Shutdowns Impacting Acoustics
- Slowing Global Industrial Demand
- Operational Excellence and Growth Remain Our Focus

**EXECUTION DRIVING IMPROVED  
RESULTS DESPITE MIXED END MARKETS**

# THIRD QUARTER RESULTS



## FINANCIAL RESULTS SUMMARY

(in millions)	<u>1Q 2015</u>	<u>2Q 2015</u>	<u>3Q 2015</u>	<u>3Q 2014</u>	<u>3Q YoY</u>	<u>FX Impact</u>
Net sales	\$175.8	\$187.6	\$171.2	\$161.2	6.2%	(3.8)%
Adjusted EBITDA	\$21.0	\$24.9	\$18.6	\$13.1	\$5.5	\$(0.5)
Adjusted EBITDA Margin	11.9%	13.3%	10.9%	8.1%	280 bps	-

NET SALES OF \$171.2 MILLION, INCREASED 6.2%

- Foreign Currency Translation Negatively Impacted Sales 3.8%
- Acquisition Growth From DRONCO of \$11.3 Million or 7.0%
- Organic Sales Growth of 3.0%

ADJUSTED EBITDA MARGINS OF 10.9%, INCREASED 280 BPS

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

# THIRD QUARTER RESULTS



## FINANCIAL RESULTS SUMMARY

(in millions, except per share amounts)

	<u>1Q 2015</u>	<u>2Q 2015</u>	<u>3Q 2015</u>	<u>3Q 2014</u>	<u>3Q YOY</u>
Adjusted Net Income	\$ 2.0	\$ 3.4	\$(0.5)	\$(2.9)	\$2.4
Adjusted Earnings Per Share	\$ 0.07	\$ 0.12	\$(0.02)	\$(0.10)	\$0.08

### ADJUSTED NET LOSS OF \$0.5 MILLION

- Operational Improvements And Lower Material Costs Drive Higher Earnings

1) See Appendix for Reconciliation of Non-GAAP Measures

# THIRD QUARTER RESULTS



## SALES

(in millions)	3 <sup>rd</sup> Quarter		Y-O-Y	FX
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>Impact</u>
Seating	\$37.2	\$32.4	\$4.8	\$(0.3)
Finishing	52.3	45.2	7.1	\$(4.6)
Acoustics	51.8	54.0	(2.2)	\$(1.3)
Components	<u>29.9</u>	<u>29.6</u>	<u>0.3</u>	—
Total	\$171.2	\$161.2	\$10.0	\$(6.2)

- **Seating Organic Sales Growth of 15.7%**
  - Quarterly Shifts in Heavy Weight Motorcycles
  - New Business Awards In Heavy Industry And Power Sports
  
- **DRONCO Acquisition Growth of 24.9% Within Finishing**
  - Finishing Organic Sales Increased 1.2%
  - 10.3% Negative Impact Due to Foreign Currency Translation
  - Softening Global Industrial Demand, Delayed Customer Projects
  
- **Acoustics Organic Sales Decline of 1.9%**
  - 2.3% Decline Due To Foreign Currency Translation
  - Lower Volumes Driven By Automotive Assembly Plant Shutdowns
  
- **Components Sales Growth of 1.1%**
  - Growth Driven By Continued Rail Strength

# THIRD QUARTER RESULTS



## ADJUSTED EBITDA

(in millions)

	3 <sup>rd</sup> Quarter		3 <sup>rd</sup> Quarter		Y-O-Y Change	Bps Change
	2015	% of Sales	2014	% of Sales		
Seating	\$2.9	7.8%	\$3.6	11.0%	\$(0.7)	-320
Finishing	7.2	13.8	5.7	12.6	1.5	+120
Acoustics	7.0	13.6	4.3	7.9	2.7	+570
Components	5.2	17.4	1.0	3.5	4.2	+1,390
Corporate	<u>(3.7)</u>		<u>(1.5)</u>		<u>(2.2)</u>	—
Total	\$18.6	10.9%	\$13.1	8.1%	\$5.5	+280

- **Seating Adjusted EBITDA Margin of 7.8%**

- Down 320 Bps
- Operational Inefficiencies Associated With Large Volume Increases And Changing Product Mix

- **Finishing Adjusted EBITDA Margin of 13.8%**

- Continued Execution On Margin Improvement Plans

- **Acoustics Adjusted EBITDA Margin of 13.6%**

- Operational Efficiencies With Focus On Execution Drive Significantly Improved Results Compared With 2014 Battle Creek Launch Issues

- Favorable Raw Material Pricing

- **Components Adjusted EBITDA Margin of 17.4%**

- Lower Input Costs in Metals
- Improved Operational Efficiencies
- Favorable Product Mix



# FINANCIAL POSITION



## LIQUIDITY & DEBT

(in millions)

	<u>1Q15</u>	<u>2Q15</u>	<u>3Q15</u>	
Cash	\$ 54.9	\$ 33.0	\$ 44.4	
Revolver Availability	<u>45.0</u>	<u>45.6</u>	<u>47.2</u>	
Total Liquidity	\$ 99.9	\$ 78.6	\$ 91.6	
	<u>1Q15</u>	<u>2Q15</u>	<u>3Q15</u>	<b>Maturity</b>
First Lien	\$ 309.2	\$ 308.4	\$ 307.7	2021
Second Lien	110.0	110.0	110.0	2022
Other	<u>7.2</u>	<u>22.8</u>	<u>33.5</u>	
	\$ 426.4	\$ 441.2	\$ 451.2	
Net Debt To Adjusted EBITDA	4.8X	5.0X	4.8X	

- Net Debt to Adjusted EBITDA Lower on Adjusted EBITDA Growth
- Liquidity Improved Through Post-Acquisition DRONCO Financing

## FREE CASH FLOW

	<u>1Q15</u>	<u>2Q15</u>	<u>3Q15</u>	<u>YTD</u>
Adjusted EBITDA	\$ 21.0	\$ 24.9	\$ 18.6	\$ 64.5
Cash Interest/Taxes	(1.0)	(7.9)	(8.1)	(17.0)
Cash Restructuring	(1.7)	(2.3)	(2.2)	(6.2)
Changes In Working Capital	<u>(15.1)</u>	<u>3.4</u>	<u>2.7</u>	<u>(9.0)</u>
Operating Cash Flow	\$ 3.2	\$ 18.1	\$ 11.0	\$ 32.3
Less: Capital Expenditures	\$ (7.2)	\$ (8.1)	\$ (8.5)	\$ (23.8)
Less: Preferred Stock Dividends	<u>(0.9)</u>	<u>(0.9)</u>	<u>(0.9)</u>	<u>(2.7)</u>
Free Cash Flow* After Dividends	\$ (4.9)	\$ 9.1	\$ 1.6	\$ 5.8

## IMPROVED LIQUIDITY AND LOWER LEVERAGE IN THIRD QUARTER

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

# FISCAL 2015 OUTLOOK

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	<b>CURRENT OUTLOOK</b>	<b>PREVIOUS OUTLOOK</b>
Revenue (in millions): - Organic Growth*	\$702 - \$712 0% to 1%	\$708 - \$723 2% to 4%
Adjusted EBITDA (in millions):	\$81 - \$84	\$87 - \$91
Cap Ex As % Of Sales:	4.5% - 5.0%	4.5% - 5.0%

## **GLOBAL INDUSTRIAL SOFTNESS DRIVING LOWER OUTLOOK**

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

# BUSINESS UPDATE

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## WHAT WE SEE

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- Acoustics

*Vehicle Mix Shift Driving Automotive Plant Shutdowns  
New Business Launches Drive Fourth Quarter Organic Growth*

- Seating

*Short-term Volume Timing Shifts  
Growth in Heavy Industry and Powersports*

- Components

*Softening General Industrial Demand & Smart Meter Headwinds  
Continued Strong Demand in Rail Products*

- Finishing

*Slowing Global Industrial Production Driving Volume Softness  
Focus on DRONCO Integration*



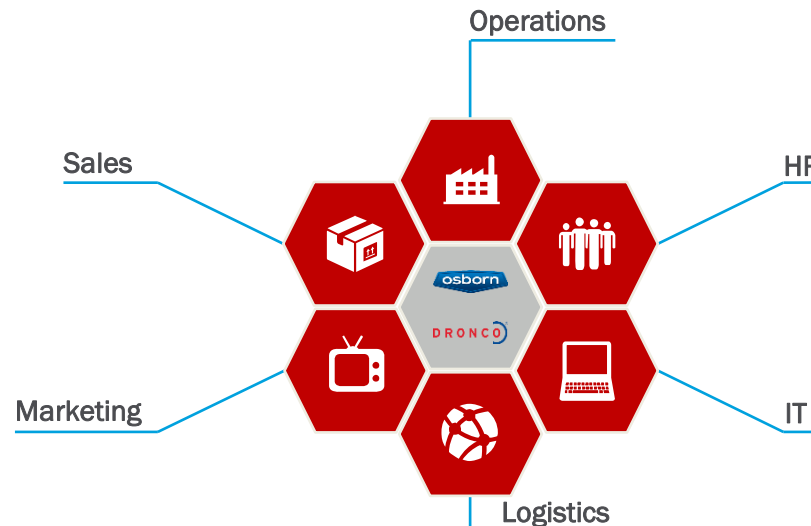
# DRONCO INTEGRATION UPDATE



## OUR FIRST FOUR MONTHS



- Integration Actions In Process In 2015



- Cost Synergies - \$2.5 Million Within 18 Months
- Operational Performance On-Track

# CLOSING COMMENTS

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## FOURTH QUARTER KEYS TO SUCCESS

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- Operational Execution Remains Priority
- Key Acoustics Launches in Fourth Quarter
- DRONCO Integration
- Free Cash Flow Generation





**JASON**

Q&A



**JASON**

APPENDIX

# ADJUSTED EBITDA RECONCILIATION



	3Q15	3Q14
<i>(in millions)</i>		
<b>Net Income</b>	<b>\$(3.2)</b>	<b>\$(9.8)</b>
Tax provision	(1.8)	(6.0)
Interest expense	8.0	7.8
Depreciation and amortization	11.7	10.4
Loss on disposals of fixed assets - net	-	-
<b>EBITDA</b>	<b>14.7</b>	<b>2.4</b>
Adjustments:		
Restructuring	0.9	0.1
Transaction-related expenses	-	1.4
Integration and other restructuring costs	1.5	7.6
Sponsor fees	-	-
Gain from sale of joint ventures	-	-
Share-based compensation	1.5	2.1
Total adjustments	3.9	11.2
<b>Adjusted EBITDA</b>	<b>\$18.6</b>	<b>\$13.6</b>



# ADJUSTED NET INCOME & ADJUSTED EARNINGS PER SHARE



	<u>3Q15</u>	<u>3Q14</u>
<i>(in millions, except per share amounts)</i>		
<b>GAAP Net Income</b>	<b>\$(3.2)</b>	<b>\$(9.8)</b>
Adjustments:		
Restructuring	0.9	0.1
Transaction-related expenses	-	1.4
Integration and other restructuring costs	1.5	7.6
Sponsor fees	-	-
Gain from sale of joint ventures	-	-
Share-based compensation	1.5	2.1
Tax effect on adjustments	(1.2)	(4.3)
<b>Adjusted Net Income</b>	<b>\$(0.5)</b>	<b>\$(2.9)</b>
<b>Diluted weighted average number of common shares outstanding (non-GAAP)</b>	<b>29.3</b>	<b>29.1</b>
<b>GAAP Net (Loss) income per share available to Common shareholders of Jason Industries</b>	<b>\$(0.16)</b>	<b>\$(0.41)</b>
Adjustments net of income taxes:		
Restructuring	0.03	-
Transaction-related expenses	-	0.04
Integration and other restructuring costs	0.04	0.21
Share-based compensation	0.05	0.06
GAAP to non-GAAP impact per share	0.02	-
<b>Adjusted earnings per share</b>	<b>\$(0.02)</b>	<b>\$(0.10)</b>

# NET DEBT TO ADJUSTED EBITDA



	<u>September 25, 2015</u>
Current and long-term debt	\$ 444,911
Add: Debt discounts	6,262
Less: Cash and cash equivalents	(44,438)
<b>Net Debt</b>	<b>\$ 406,735</b>
Adjusted EBITDA	
4Q14	\$ 18,871
1Q15	21,003
2Q15	24,900
3Q15	18,590
TTM Adjusted EBITDA	\$ 83,364
Acquisitions TTM Adjusted EBITDA*	1,784
<b>Pro Forma TTM Adjusted EBITDA</b>	<b>\$ 85,148</b>
<b>Net Debt to Adjusted EBITDA</b>	<b>4.8x</b>

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



**JASON**