



Second Quarter 2019 Earnings

Thursday, August 8, 2019

Forward-Looking Statements

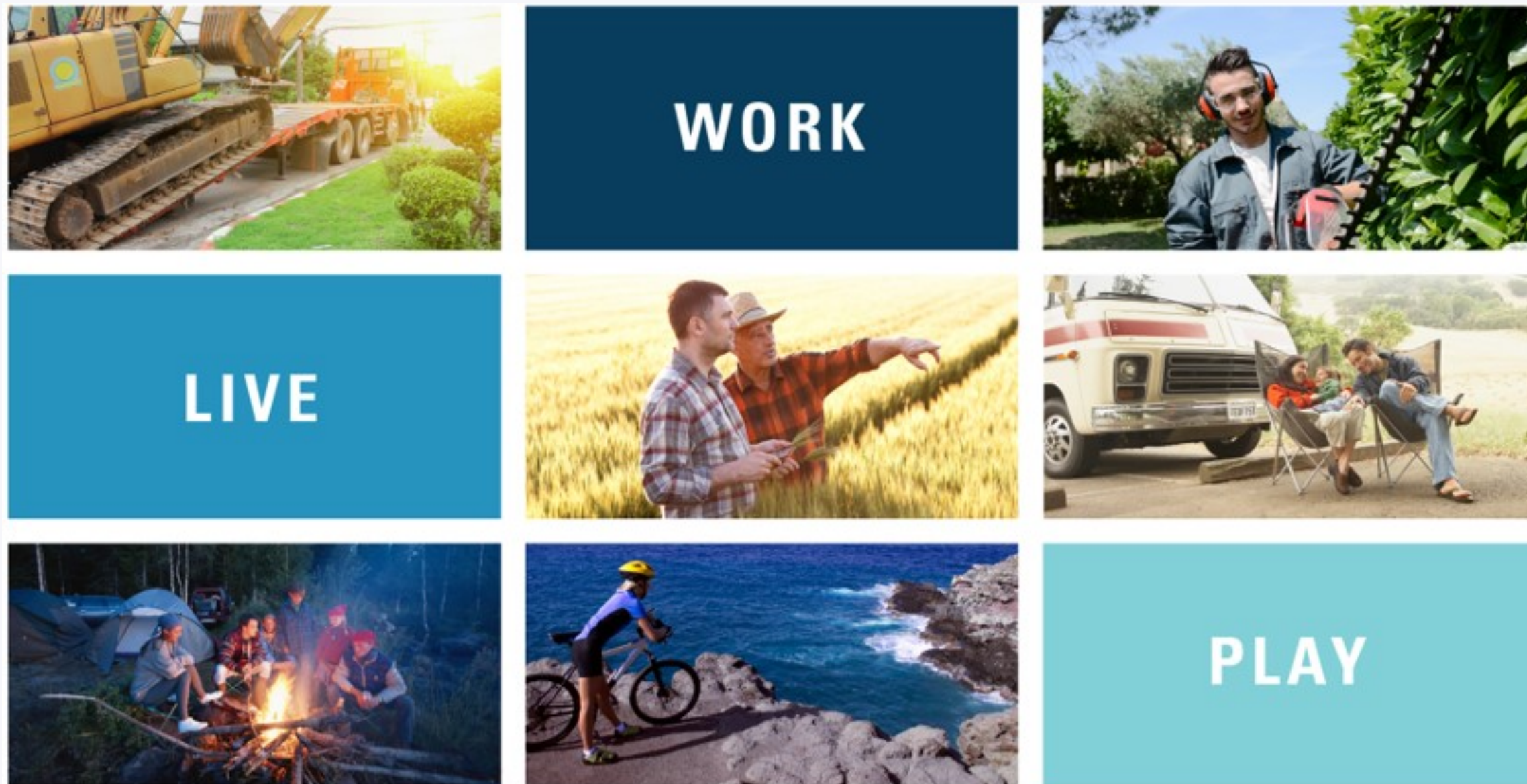
This presentation contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements contained herein speak only as of the date they are made and give our current expectations or forecasts of future events. These forward-looking statements can be identified by the use of forward-looking words, such as “may,” “could,” “should,” “estimate,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “target,” “plan” or other comparable words, or by discussions of strategy that may involve risks and uncertainties. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which could materially affect our business, financial condition or future results including, but not limited to, risks and uncertainties with respect to: the Company’s leverage; liabilities imposed by the Company’s debt instruments; market demand; competitive factors; supply constraints; material and energy costs; technology factors; litigation; government and regulatory actions including the impact of any tariffs, quotas or surcharges; the Company’s accounting policies; future trends; general economic and currency conditions; various conditions specific to the Company’s business and industry; the Company’s ability to regain compliance with the New York Stock Exchange’s continued listing standards and maintain such compliance; the Company’s ability to successfully complete the sale of its Asia-Pacific segment; the success of the Company’s action plan, including the actual amount of savings and timing thereof; the success of our business improvement initiatives in Europe-Africa, including the amount of savings and timing thereof; the Company’s exposure to product liability claims from customers and end users, and the costs associated therewith; the Company’s ability to meet its covenants in the agreements governing its debt, including the contractually obligated prepayment on its first lien term loan, or obtain any amendments or waivers thereto; and other risks that are discussed in Item 1A, “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018. The risks described in our Annual Report and elsewhere in this report are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deemed to be immaterial also may materially adversely affect our business, financial position and results of operations or cash flows. We caution readers not to place undue reliance on such statements, which speak only as of the date hereof. We do not undertake any obligation to review or confirm analysts’ expectations or estimates or to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Non-GAAP Financial Measures

In this presentation, certain non-GAAP financial measures may be used. Except as otherwise disclosed herein, reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measure may be found at the end of this presentation. Additional information is available at www.horizonglobal.com.

- (1) Refer to **Appendix, "Company and Business Segment Financial Information"** which details certain costs, expenses, other charges, and gains or income, collectively described as **"Special Items"**, that are included in the determination of **operating profit (loss)** under GAAP, but that management would not consider important in evaluating the quality of the Company's operating results as they are not indicative of the Company's core operating results or may obscure trends useful in evaluating the Company's continuing activities. Accordingly, the Company presents **adjusted operating profit (loss)** and **adjusted corporate expenses** excluding these **Special Items** to help investors evaluate our operating performance and trends in our business consistent with how management evaluates such performance and trends. Further, the Company presents **adjusted operating profit (loss)** excluding these **Special Items**, to provide investors with a better understanding of the Company's view of the second quarter and full year results as compared to prior periods.
- (2) We evaluate growth in our operations on both an as reported basis and a **constant currency basis**. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our growth, consistent with how we evaluate our performance. Constant currency revenue results are calculated by translating current period revenue in local currency using the prior period's currency conversion rate. This non-GAAP measure has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. Our use of this term may vary from the use of similarly-titled measures by other issuers due to the potential inconsistencies in the method of calculation and differences due to items subject to interpretation. See **Appendix, "Constant Currency Reconciliation"**.
- (3) Refer to **Appendix, "Additional Information Regarding Special Items Impacting Reported GAAP Financial Measures"**, which details certain costs, expenses, other charges, and gains or income, collectively described as **"Special Items"** that are included in the determination of **net income (loss)** and **earnings (loss) per share** under GAAP, but that management would not consider important in evaluating the quality of the Company's operating results as they are not indicative of the Company's core operating results or may obscure trends useful in evaluating the Company's continuing activities. Accordingly, the Company presents **adjusted net income (loss)** and **adjusted diluted earnings (loss) per share** excluding these **Special Items** to help investors evaluate our operating performance and trends in our business consistent with how management evaluates such performance and trends.
- (4) **"Working Capital"** defined as "total current assets" excluding "cash and cash equivalents" and "deferred income taxes", less "total current liabilities" excluding "current maturities, long-term debt" and "short-term operating lease liabilities".

OUR VISION: Empowering People to Live, Work, and Play



Our global business is focused on top-quality towing and trailering products and solutions for commercial and recreational use:

WORK

Agricultural, automotive, construction, fleet, industrial marine, military, mining, and municipalities

PLAY

Power sports, equestrian, recreational vehicle, specialty automotive, and truck accessory

Q2 Overview and Business Update

Q2 2019 Key Impacts

- Slow start to the year continued into the second quarter
- Slight decrease in sales primarily due to adverse currency exchange rates
- Americas' pricing initiatives now in effect, with generally good acceptance, will continue monitoring tariff developments
- Input costs impacted by tariffs

HORIZON BUSINESS INITIATIVES

- New President of Europe-Africa, COO for Americas and Global CFO
- Initiated process to explore the potential sale of the Asia-Pacific segment
- Europe-Africa makes continued progress against business improvement initiatives

Financial Results - Second Quarter 2019

(Unaudited - dollars in millions, except per share amounts)

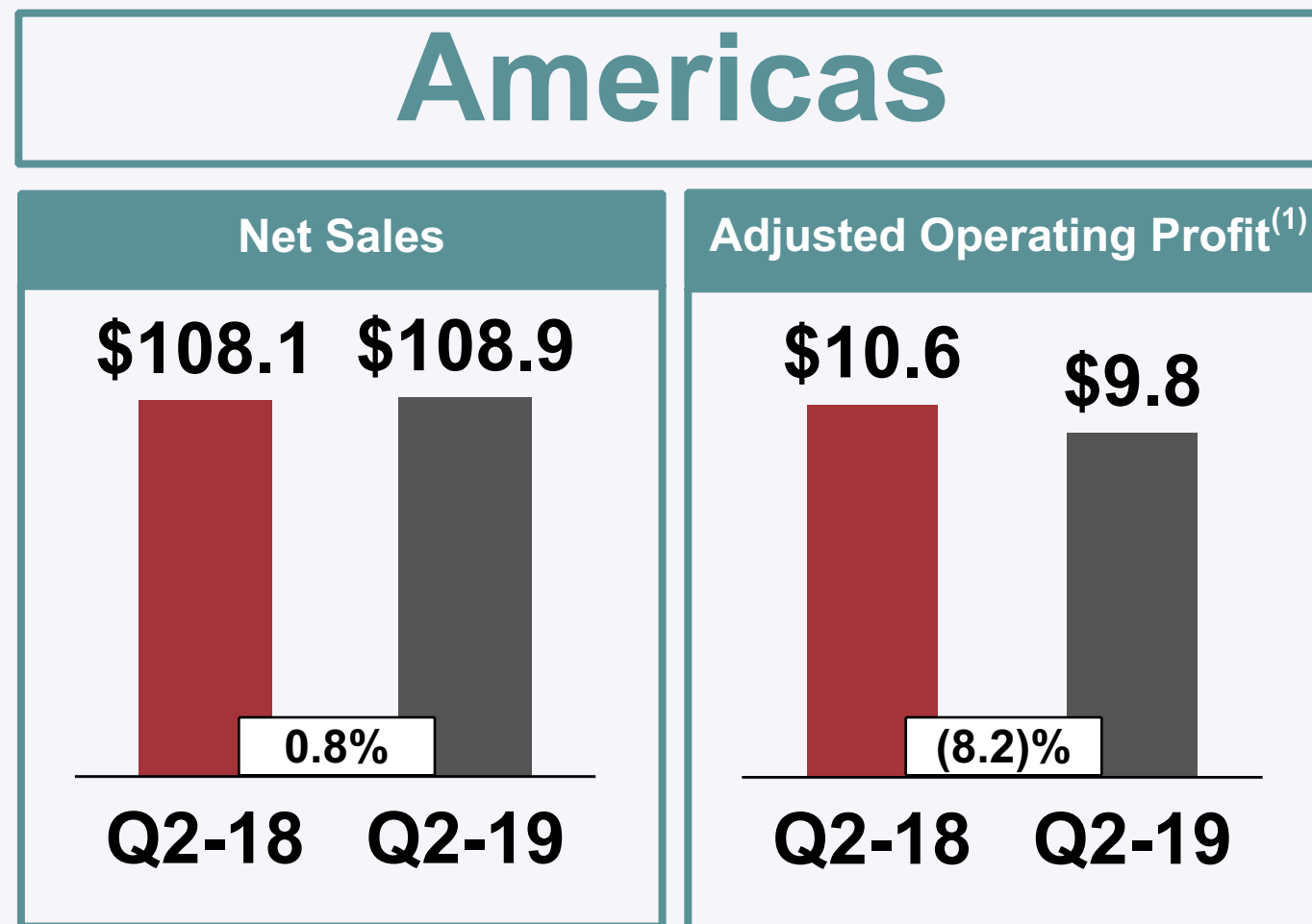
	Q2 2019 QTD	Q2 2018 QTD	Variance
Net Sales	\$223.2	\$233.3	(4.4%)
Operating Profit (Loss)	\$7.1	(\$64.1)	111.1%
<i>Operating Profit (Loss) Margin</i>	<i>3.2%</i>	<i>(27.5%)</i>	<i>fav.</i>
<i>Adjusted Operating Profit⁽¹⁾</i>	<i>\$10.1</i>	<i>\$13.8</i>	<i>(26.8%)</i>
<i>Adjusted Profit⁽¹⁾ Margin</i>	<i>4.5%</i>	<i>5.9%</i>	<i>unfav.</i>
Net Loss attributable to Horizon Global	(\$8.1)	(\$66.9)	87.9%
<i>Adjusted Net Income (Loss) attributable to Horizon Global⁽³⁾</i>	<i>(\$5.2)</i>	<i>\$9.1</i>	<i>(157.1%)</i>
Diluted Loss per Share attributable to Horizon Global	(\$0.32)	(\$2.68)	88.1%
<i>Adjusted Diluted Earnings (Loss) per Share attributable to Horizon Global⁽³⁾</i>	<i>(\$0.20)</i>	<i>\$0.36</i>	<i>(155.6%)</i>

Takeaways

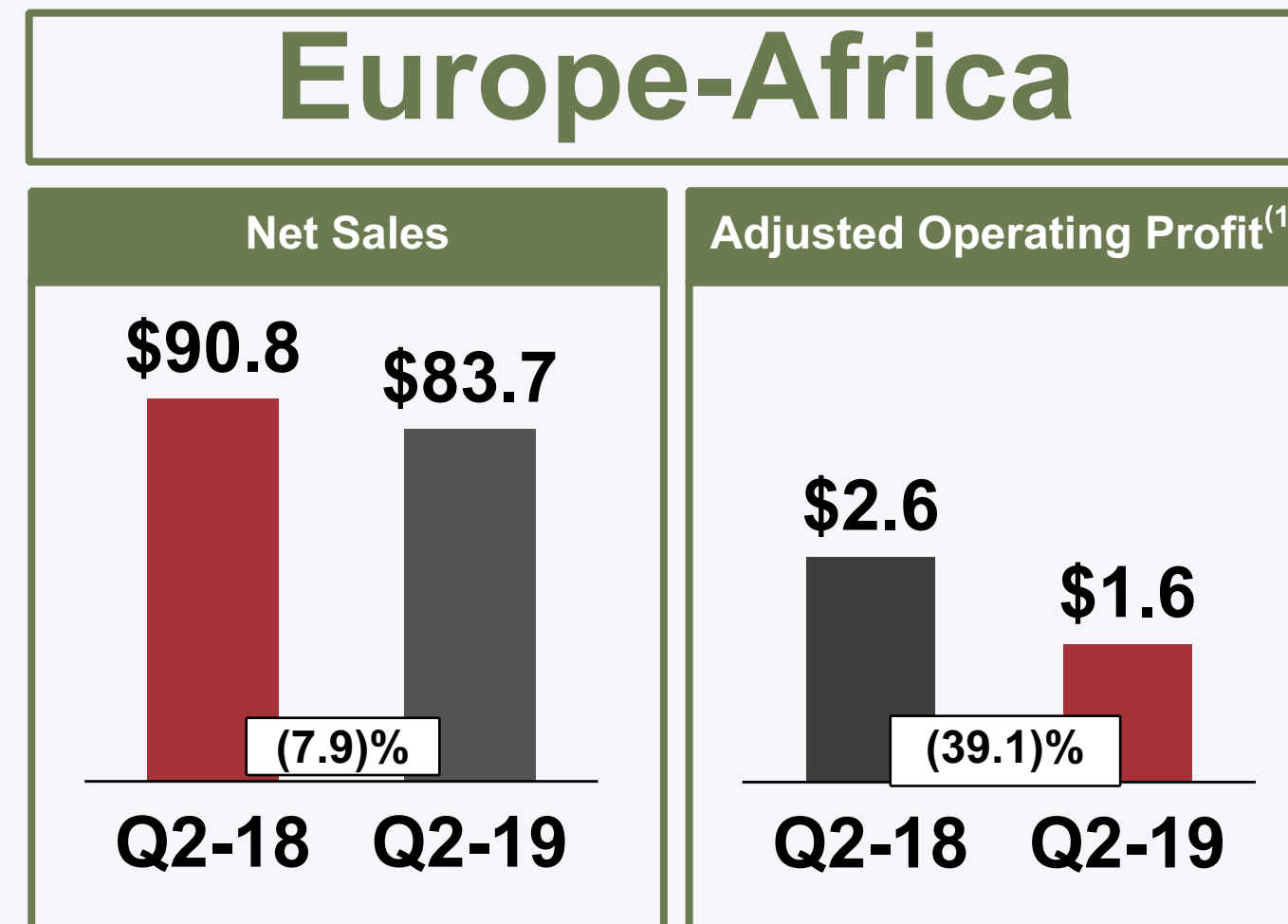
- Net sales decreased 1.3% in constant currency⁽²⁾ due to lower global Aftermarket net sales and Americas Retail, partially offset by higher Americas E-commerce net sales
- Lower shipping volumes in Retail and Aftermarket channels due to a softening in demand at the start of the typically strong selling season; partially offset by higher customer pricing
- Lower adjusted operating profit⁽¹⁾ due to lower net sales, impact of mix on margins, partially offset by lower SG&A

Segment Performance - Second Quarter

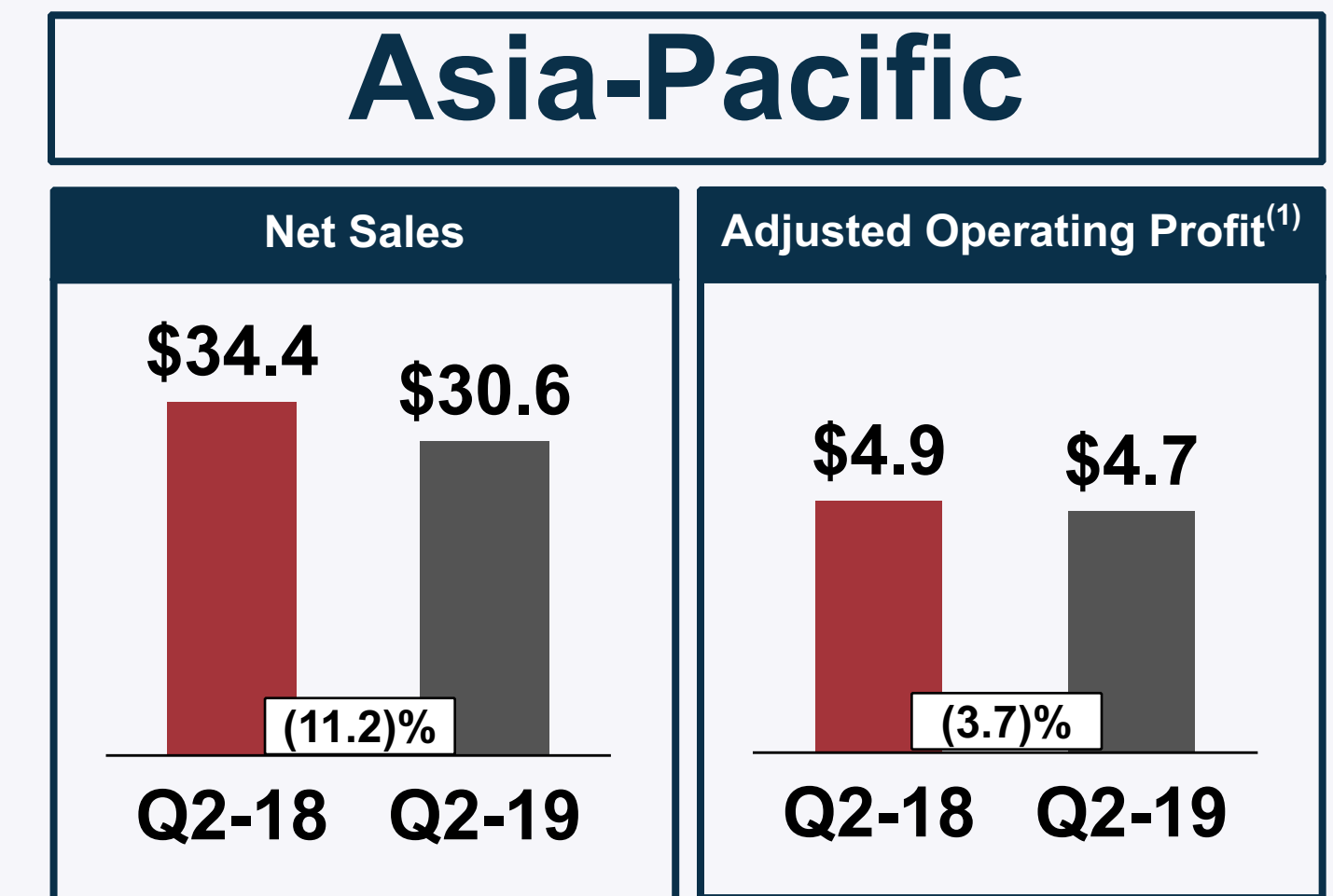
(Unaudited - dollars in millions)



- Net sales increased 0.9% in constant currency⁽²⁾
- Lower Retail and Aftermarket net sales offset partially by increased OE and eCommerce net sales
- Higher input costs pass-through pricing
- Unfavorable product mix offset by lower SG&A



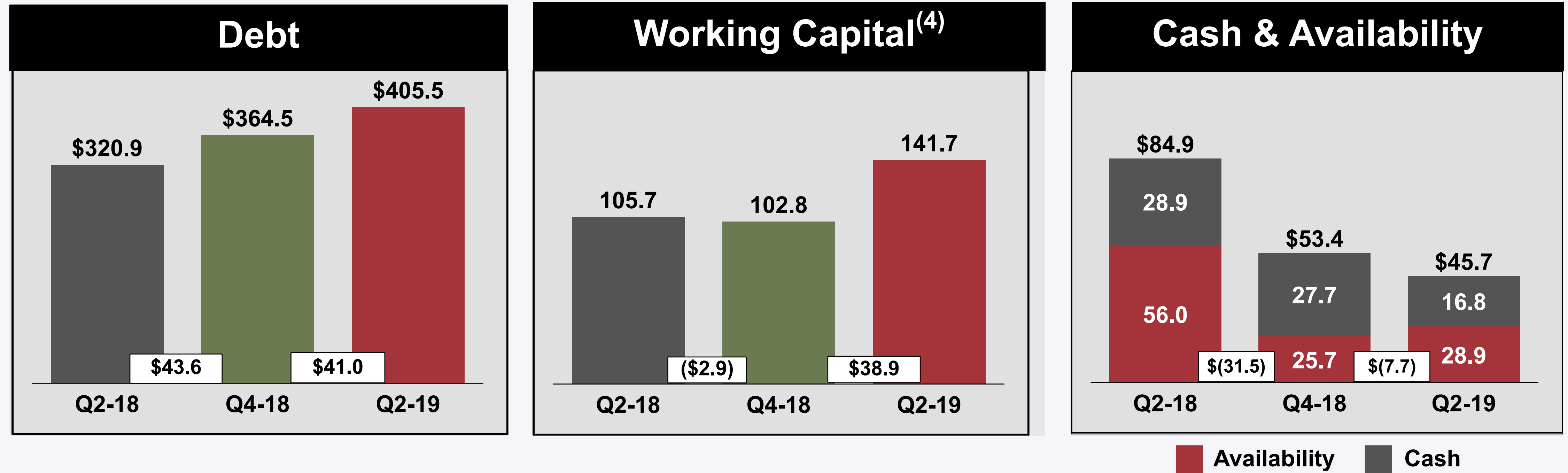
- Net sales decreased (2.0)% in constant currency⁽²⁾
- Increase in OE net sales partially offset by lower Aftermarket resulted in unfavorable product mix on gross margin
- Unfavorable gross margin partly offset by lower SG&A



- Net sales decreased (6.2)% in constant currency⁽²⁾
- Lower OE and Aftermarket volumes
- Adjusted operating profit decreased due to lower sales, but adjusted operating profit⁽¹⁾ margin increased due to improved gross margins as well as lower SG&A spending

Capitalization

(Unaudited - dollars in millions)



- Debt reflects new \$51M Second Lien Term Loan net of \$15M of OID, issuance costs and amount allocated to detachable warrants; partially offset by ABL repayments
- Increased working capital primarily driven by an increase in DSO and reduction in past due AP
- Cash and availability under ABL down slightly to \$45.7M

Summary

Strong and growing end markets; leading customers; strong established brands with market leading positions

Continued progress in Business improvement initiatives in Europe-Africa; leaner and more efficient Americas segment driving better results

Kansas City distribution center performing well in prime season; ongoing productivity and targeted operational improvements expected to increase efficiency and drive improved profitability

Global team enhanced with greater expertise and operational focus combined with new, experienced Board members engaged in the business to achieve near-, medium- and long-term strategic goals

FOCUSED ON IMPROVING THE BUSINESS AND RETURNING SHAREHOLDER VALUE



SECOND QUARTER 2019 EARNINGS

Q&A



SECOND QUARTER 2019 EARNINGS

Appendix

Condensed Consolidated Balance Sheets

(dollars in thousands)

	June 30, 2019	December 31, 2018
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 16,760	\$ 27,650
Receivables, net of allowance for doubtful accounts of approximately \$4.4 million and \$5.1 million at June 30, 2019 and December 31, 2018, respectively.	137,660	108,340
Inventories	177,830	173,690
Prepaid expenses and other current assets	9,250	9,690
Total current assets	341,500	319,370
Property and equipment, net	97,830	102,280
Operating lease right-of-use assets	72,220	—
Goodwill	12,700	12,660
Other intangibles, net	71,900	78,050
Deferred income taxes	2,510	2,690
Other assets	6,080	6,300
Total assets	\$ 604,740	\$ 521,350
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term borrowings and current maturities, long-term debt	\$ 166,760	\$ 13,860
Accounts payable	111,800	123,130
Short-term operating lease liabilities	13,190	—
Accrued liabilities	71,250	65,820
Total current liabilities	363,000	202,810
Long-term debt	238,780	350,650
Deferred income taxes	13,160	14,150
Long-term operating lease liabilities	59,020	—
Other long-term liabilities	19,100	19,960
Total liabilities	693,060	587,570
Total Horizon Global shareholders' deficit	(85,240)	(63,720)
Noncontrolling interest	(3,080)	(2,500)
Total shareholders' deficit	(88,320)	(66,220)
Total liabilities and shareholders' equity	\$ 604,740	\$ 521,350

Condensed Consolidated Statements of Operations

(Unaudited - dollars in thousands, except share and per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Net sales	\$ 223,160	\$ 233,340	\$ 432,820	\$ 450,150
Cost of sales	(179,110)	(185,770)	(356,690)	(364,130)
Gross profit	44,050	47,570	76,130	86,020
Selling, general and administrative expenses	(37,010)	(55,740)	(78,540)	(103,920)
Impairment of goodwill and intangible assets	—	(55,700)	—	(99,130)
Net gain (loss) on dispositions of property and equipment	10	(270)	1,470	(380)
Operating profit (loss)	7,050	(64,140)	(940)	(117,410)
Other income (expense), net	400	(6,610)	(5,210)	(7,730)
Interest expense	(15,430)	(6,190)	(26,370)	(12,140)
Loss before income tax	(7,980)	(76,940)	(32,520)	(137,280)
Income tax (expense) benefit	(160)	9,780	(1,240)	12,360
Net loss	(8,140)	(67,160)	(33,760)	(124,920)
Less: Net loss attributable to noncontrolling interest	(60)	(230)	(580)	(480)
Net loss attributable to Horizon Global	\$ (8,080)	\$ (66,930)	\$ (33,180)	\$ (124,440)
Net loss per share attributable to Horizon Global:				
Basic	\$ (0.32)	\$ (2.68)	\$ (1.31)	\$ (4.98)
Diluted	\$ (0.32)	\$ (2.68)	\$ (1.31)	\$ (4.98)
Weighted average common shares outstanding:				
Basic	25,282,791	25,017,725	25,235,704	24,990,573
Diluted	25,282,791	25,017,725	25,235,704	24,990,573

Condensed Consolidated Statements of Cash Flow

(Unaudited - dollars in thousands)

	Six months ended June 30,	
	2019	2018
Cash Flows from Operating Activities:		
Net loss	\$ (33,760)	\$ (124,920)
Adjustments to reconcile net loss to net cash used for operating activities:		
Net (gain) loss on dispositions of property and equipment	(1,470)	380
Depreciation	9,320	8,240
Amortization of intangible assets	3,460	4,140
Impairment of goodwill and intangible assets	—	99,130
Amortization of original issuance discount and debt issuance costs	9,900	3,870
Deferred income taxes	(30)	(1,850)
Non-cash compensation expense	940	1,210
Paid-in-kind interest	4,370	—
Increase in receivables	(32,330)	(40,450)
(Increase) decrease in inventories	(10,630)	530
(Increase) decrease in prepaid expenses and other assets	(940)	1,510
(Decrease) increase in accounts payable and accrued liabilities	(360)	12,590
Other, net	2,770	260
Net cash used for operating activities	(48,760)	(35,360)
Cash Flows from Investing Activities:		
Capital expenditures	(6,630)	(7,790)
Net proceeds from sale of business	4,970	—
Net proceeds from disposition of property and equipment	1,580	140
Net cash used for investing activities	(80)	(7,650)
Cash Flows from Financing Activities:		
Net cash provided by financing activities	37,660	42,410
Effect of exchange rate changes on cash	290	(80)
Cash and Cash Equivalents:		
Decrease for the period	(10,890)	(680)
At beginning of period	27,650	29,570
At end of period	\$ 16,760	\$ 28,890
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 11,750	\$ 7,550
Cash paid for taxes	\$ 4,950	\$ 3,770

Condensed Consolidated Statements of Shareholders' Equity

(Unaudited - dollars in thousands)

	Common Stock	Common Stock Warrants	Paid-in Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Horizon Global Shareholders' Deficit	Noncontrolling Interest	Total Shareholders' Deficit
Balance at January 1, 2019	\$ 250	\$ —	\$ 160,990	\$ (10,000)	\$ (222,720)	\$ 7,760	\$ (63,720)	\$ (2,500)	\$ (66,220)
Net loss	—	—	—	—	(25,100)	—	(25,100)	(520)	(25,620)
Other comprehensive income, net of tax	—	—	—	—	—	140	140	—	140
Shares surrendered upon vesting of employees; share based payment awards to cover tax obligations	—	—	(10)	—	—	—	(10)	—	(10)
Non-cash compensation expense	—	—	350	—	—	—	350	—	350
Issuance of Warrants	—	5,380	—	—	—	—	5,380	—	5,380
Balance at March 31, 2019	\$ 250	\$ 5,380	\$ 161,330	\$ (10,000)	\$ (247,820)	\$ 7,900	\$ (82,960)	\$ (3,020)	\$ (85,980)
Net Loss	—	—	—	—	(8,080)	—	(8,080)	(60)	(8,140)
Other comprehensive income, net of tax	—	—	—	—	—	(130)	(130)	—	(130)
Non-cash compensation expense	—	—	590	—	—	—	590	—	590
Issuance of Warrants	—	5,340	—	—	—	—	5,340	—	5,340
Balance at June 30, 2019	\$ 250	\$ 10,720	\$ 161,920	\$ (10,000)	\$ (255,900)	\$ 7,770	\$ (85,240)	\$ (3,080)	\$ (88,320)

Company and Business Segment Financial Information

(Unaudited - dollars in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018		
Horizon Americas				
Net sales	\$ 108,920	\$ 108,080	\$ 204,420	\$ 204,300
Operating profit (loss)	\$ 9,490	\$ 2,570	\$ 7,990	\$ (2,540)
Special Items to consider in evaluating operating profit (loss):				
Severance	\$ (260)	\$ 3,660	\$ (200)	\$ 4,350
Restructuring	\$ 540	\$ 1,420	\$ 1,310	\$ 2,510
Distribution center inefficiencies & fines	\$ —	\$ 2,990	\$ —	\$ 5,100
Adjusted operating profit	\$ 9,770	\$ 10,640	\$ 9,100	\$ 9,420
Horizon Europe-Africa				
Net sales	\$ 83,670	\$ 90,840	\$ 165,840	\$ 177,900
Operating profit (loss)	\$ 1,580	\$ (55,690)	\$ (1,610)	\$ (100,780)
Special Items to consider in evaluating operating profit (loss):				
Severance	\$ 20	\$ 1,180	\$ 10	\$ 1,560
Acquisition & integration costs	\$ —	\$ 240	\$ —	\$ 660
Impairment of goodwill and other intangibles	\$ —	\$ 55,700	\$ —	\$ 99,130
Restructuring	\$ (10)	\$ 1,000	\$ (1,410)	\$ 1,450
Product liability recall claims	\$ —	\$ —	\$ 4,320	\$ —
Brink transaction and termination costs	\$ —	\$ 180	\$ —	\$ 660
Adjusted operating profit	\$ 1,590	\$ 2,610	\$ 1,310	\$ 2,680
Horizon Asia-Pacific				
Net sales	\$ 30,570	\$ 34,420	\$ 62,560	\$ 67,950
Operating profit	\$ 4,400	\$ 4,670	\$ 9,780	\$ 9,060
Special Items to consider in evaluating operating profit:				
Severance	\$ 210	\$ 70	\$ 210	\$ 70
Acquisition & integration costs	\$ —	\$ 20	\$ —	\$ 20
Restructuring	\$ —	\$ 100	\$ —	\$ 100
Operating Segment Disposition	\$ 70	\$ —	\$ 70	\$ —
Adjusted operating profit	\$ 4,680	\$ 4,860	\$ 10,060	\$ 9,250
Corporate Expenses				
Operating loss	\$ (8,420)	\$ (15,690)	\$ (17,100)	\$ (23,150)
Special Items to consider in evaluating operating loss:				
Acquisition & integration costs	\$ —	\$ (360)	\$ —	\$ 50
Debt issuance costs	\$ 700	\$ —	\$ 1,920	\$ —
Board transition support	\$ 760	\$ —	\$ 1,450	\$ —
Brink transaction and termination costs	\$ —	\$ 8,940	\$ —	\$ 9,810
CEO separation costs & severance	\$ —	\$ 2,750	\$ —	\$ 2,750
Operating Segment Disposition	\$ 1,320	\$ —	\$ 1,320	\$ —
Other	\$ (320)	\$ —	\$ 200	\$ —
Adjusted operating loss	\$ (5,960)	\$ (4,360)	\$ (12,210)	\$ (10,540)
Total Company				
Net sales	\$ 223,160	\$ 233,340	\$ 432,820	\$ 450,150
Operating profit (loss)	\$ 7,050	\$ (64,140)	\$ (940)	\$ (117,410)
Total Special Items to consider in evaluating operating profit (loss)	\$ 3,030	\$ 77,890	\$ 9,200	\$ 128,220
Adjusted operating profit (loss)	\$ 10,080	\$ 13,750	\$ 8,260	\$ 10,810

Additional Information Regarding Special Items Impacting Reported GAAP Financial Measures

(Unaudited - dollars in thousands, except share and per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Net loss attributable to Horizon Global, as reported	\$ (8,080)	\$ (66,930)	\$ (33,180)	\$ (124,440)
Impact of Special Items to consider in evaluating quality of income (loss):				
Severance	(30)	4,920	10	5,980
Impairment of goodwill and other intangibles	—	55,700	—	99,130
Acquisition & integration costs	—	(110)	—	720
Brink transaction and termination costs	—	13,620	—	15,600
Distribution center inefficiencies & fines	—	2,990	—	5,100
Debt issuance costs	700	—	1,930	—
Terwa construction disposition	—	—	3,630	—
Board transition support	760	—	1,450	—
Product liability recall claims	—	—	4,320	—
CEO separation costs & severance	—	2,750	—	2,750
Restructuring	530	2,520	(100)	4,070
Operating Segment Disposition	1,380	—	1,380	—
Other	(320)	—	200	—
Tax impact of Special Items	(90)	(6,390)	(1,370)	(7,900)
Adjusted net income (loss) attributable to Horizon Global	\$ (5,150)	\$ 9,070	\$ (21,730)	\$ 1,010

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Diluted loss per share attributable to Horizon Global, as reported	\$ (0.32)	\$ (2.68)	\$ (1.31)	\$ (4.98)
Impact of Special Items to consider in evaluating quality of EPS:				
Severance	—	0.20	—	0.24
Impairment of goodwill and other intangibles	—	2.23	—	3.97
Acquisition & integration costs	—	—	—	0.03
Brink transaction and termination costs	—	0.54	—	0.62
Distribution center inefficiencies & fines	—	0.12	—	0.21
Debt issuance costs	0.03	—	0.08	—
Terwa construction disposition	—	—	0.14	—
Board transition support	0.03	—	0.06	—
Product liability recall claims	—	—	0.17	—
CEO separation costs & severance	—	0.11	—	0.11
Restructuring	0.02	0.10	—	0.16
Operating Segment Disposition	0.05	—	0.05	—
Other	(0.01)	—	—	—
Tax impact of Special Items	—	(0.26)	(0.05)	(0.32)
Impact of change in dilutive shares outstanding due to Special Items	—	—	—	—
Adjusted earnings (loss) per share attributable to Horizon Global	\$ (0.20)	\$ 0.36	\$ (0.86)	\$ 0.04
Weighted-average shares outstanding, diluted, as reported	25,282,791	25,017,725	25,235,704	24,990,573
Dilution effect on adjusted net income (loss)	—	266,876	—	307,834
Diluted weighted-average shares outstanding, as adjusted	25,282,791	25,284,601	25,235,704	25,298,407

Constant Currency Reconciliation

(Unaudited)

The following table reconciles revenue growth to constant currency revenue for the same measure:

	Three months ended June 30, 2019				Six months ended June 30, 2019			
	Horizon Americas	Horizon Europe-Africa	Horizon Asia-Pacific	Consolidated	Horizon Americas	Horizon Europe-Africa	Horizon Asia-Pacific	Consolidated
Revenue growth as reported	0.8 %	(7.9)%	(11.2)%	(4.4)%	0.1 %	(6.8)%	(7.9)%	(3.8)%
Less: currency impact	(0.1)%	(5.9)%	(5.0)%	(3.1)%	(0.2)%	(7.1)%	(6.2)%	(3.8)%
Revenue growth at constant currency	0.9 %	(2.0)%	(6.2)%	(1.3)%	0.3 %	0.3 %	(1.7)%	— %

We evaluate growth in our operations on both an as reported and a constant currency basis. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our growth, consistent with how we evaluate our performance. Constant currency revenue results are calculated by translating current year revenue in local currency using the prior year's currency conversion rate. This non-GAAP measure has limitations as an analytical tool and should not be considered in isolation or as a substitute for an analysis of our results as reported under GAAP. Our use of this term may vary from the use of similarly-titled measures by other issuers due to the potential inconsistencies in the method of calculation and differences due to items subject to interpretation.



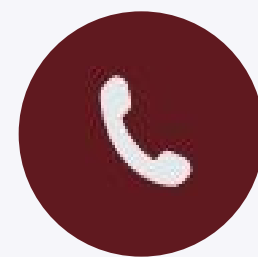
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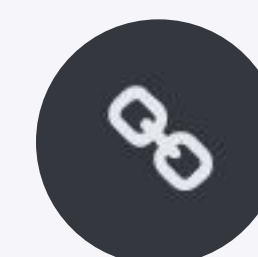
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