

# ABC Technologies Holdings Inc.

January 2021

## Management Presentation



This presentation is dated January 26, 2021. A preliminary prospectus dated January 26, 2021 containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the preliminary prospectus, and any amendment, is required to be delivered with this document. The preliminary prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary prospectus, the final prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.



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Unless otherwise indicated or the context otherwise requires, all references in this presentation to “ABC”, the “Company,” “we,” “our,” “ours,” “us” or similar terms refer to ABC Technologies Holdings Inc (d/b/a ABC Technologies) together with its subsidiaries and its joint ventures. All references to “\$” and “US\$” are to United States dollars and all references to “C\$” are to Canadian dollars.

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This presentation makes reference to certain non-International Financial Reporting Standards (“IFRS”) measures, namely EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow. These measures are not recognized under IFRS as issued by the International Accounting Standards Board and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures are used to provide readers with supplemental measures of our operating performance and thus highlight trends in our business that may not otherwise be apparent when relying solely on IFRS measures. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. Please refer to “6. Appendix” to this presentation for the reconciliation of EBITDA, Adjusted EBITDA, and Free Cash Flow presented by the Company to the most directly comparable IFRS measure. Our Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Sales adjusted to include the proportionate share of joint venture sales attributable to ABC as well as estimated net lost sales due to the 2019 OEM Strike in Fiscal 2020.

## Forward-Looking Information

This presentation contains “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities legislation (collectively, “forward-looking statements”), which reflect management’s expectations regarding the Company’s industry or the Company’s future growth, results from operations, performance and business prospects, future business plans and opportunities. Wherever possible, words such as “plans”, “expects”, “projected”, “estimated”, “forecasts”, “anticipates”, “outlook”, “potential”, “strategy”, “targets” or “believes”, or variations of such words and phrases or statements that certain future conditions, actions, events or results “will”, “may”, or “could”, or negative or grammatical versions thereof, have been used to identify forward-looking statements.

By their nature, forward-looking statements are subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Company, could cause actual results to differ materially from the forward-looking statements in this presentation.

Forward-looking statements are based on management’s beliefs and assumptions and on information currently available to management. Although the forward-looking statements contained in this presentation are based upon what we believe are reasonable assumptions, you are cautioned against placing undue reliance on this information since actual results may vary from the forward-looking statements. Consequently, all of the forward-looking statements contained in this presentation are qualified by the foregoing cautionary statements, and there can be no guarantee that the results or performance that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operation.

# Disclaimer (Cont'd)

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## Three- and Six-Month Periods Ended December 31, 2020

Where this presentation provides the Company's financial results or figures for or as at the Company's three- and six-month periods ended December 31, 2020, such results or figures are based upon the Company's financial statements for such periods which have been prepared by management and are currently in the process of being reviewed.

## Market and Industry Data

Market and industry data presented throughout this presentation was obtained from third-party sources, industry publications and reports, websites and other publicly available information, as well as industry and other data prepared by us or on our behalf, on the basis of our knowledge of, and experience in, the markets in which we operate. We believe that the market and economic data presented throughout this presentation is accurate and, with respect to data prepared by us or on our behalf, that our estimates and assumptions are currently appropriate and reasonable, but we cannot offer any assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this presentation are not guaranteed and we make no representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third-party sources referred to in this presentation, or analyzed or verified the underlying market, economic and other assumptions relied upon by such sources.

Unless otherwise indicated or the context otherwise requires, all references in this presentation to the industry or to industry production, volumes and sales, refer to the light vehicle industry in North America.

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## Interpretation and Terms Used in this Presentation

Where we discuss figures, percentages and statistics relating to ABC's content per vehicle ("CPV"), ABC's content on vehicle models and / or ABC's market share for products, we are referring to the Company and its joint ventures. Where we discuss having our content on over 75% of all North American light vehicles and having strong representation on the top 15 models, we refer to fiscal year-to-date ended December 31, 2020, and, in the case of the latter, we are also including contracted business for a model currently in pre-production but for which parts have been shipped.

Where we discuss our manufacturing facilities, unless otherwise stated or the context otherwise requires, we are referring to the Company's facilities and the facilities of its joint ventures, which consist of 20 wholly-owned and eight joint venture-owned manufacturing facilities, 22 of which are located in North America.

Where we discuss ABC's outperformance in this presentation, we are referring to the growth in ABC's Sales plus its proportionate share of revenue from joint ventures outperforming North American light vehicle industry production volume growth (based on data made available through IHS Markit) in each year from Fiscal 2017 to Fiscal 2020.

Where we discuss our new business wins over the last three years, this figure represents the aggregate of the total sales expected under life of contracted program at the time business is awarded and consists of new and replacement contracted business. Such expected total sales is based upon awarded product part price per vehicle and the average annual IHS Markit production volumes over the life of the contract and assumes awarded business contracts will be performed until the end of their term. Such expected total sales exclude tooling sales and include our proportionate share of joint venture new business wins.

Where we discuss our North American market share in various product groups, we have relied on IHS Markit data regarding industry production volumes. The Company's estimate of its market share in these product groups for the relevant fiscal period has been derived by dividing the total volume of the units within such product group that we supplied to OEM's in North America during such period, by management's estimate of the total volume of such products on all light vehicles produced by OEM's in North America during the same period. Where such product is only found on certain models within a platform we relied on management's estimate of the production number of models containing these products (including those supplied by our competitors). Where we provide market share for our running board and spoiler product groups, we have excluded from the overall market size any after-market products, including any after-market running boards or spoilers installed by dealers as we view the after-market running board and spoilers to be a distinct market in which we have elected to not compete. Management estimates regarding the size of the addressable market for our product groups are based on industry data (including IHS Markit) together with internal information, information provided by the Company's customers and other industry participants and management's experience within the industry and the markets within which it competes.

Where we discuss the industry and industry production figures or trends, unless otherwise stated or the context otherwise requires, we are referring to the North American light vehicle industry.

# Introduction

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## Presentation Team

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**Todd Sheppelman**  
*Chief Executive Officer  
and President*



**David Smith**  
*Chief Financial Officer*



## Agenda

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1. Overview of ABC Technologies
2. Investment Highlights
3. Growth Opportunities
4. Financial Overview
5. Summary of the Offering
6. Appendix

## 1. Overview of ABC Technologies

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# ABC Technologies Overview

## *An Outperforming Market Leader with Strong Technological Differentiation*

A leading manufacturer and supplier of custom, highly engineered, technical plastics and lightweighting innovations to the global automotive industry

### Market Leadership and Strength



**Strong market shares** across multiple product categories<sup>(1)</sup>



**Content on over 75% of all light vehicles** and strong representation on the top 15 models in North America



**Powertrain-agnostic, lightweighting-focused** product portfolio



**Global footprint** of 28 manufacturing facilities

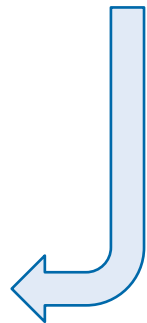
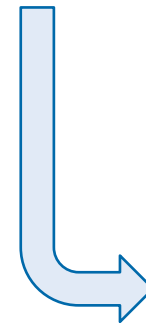
### Technology and Innovation Leadership Drives CPV Growth



**Highly engineered** solutions with deep development expertise



**Proprietary vertical integration** in material compounding and machine-building



**CPV growth and industry outperformance** driven by market differentiation and pioneering, first-to-market products

**Serving More Than 25 OEMs Globally, Many for Over 45 Years**

(1) See page 13 for further information on ABC's market shares for key product groups.

# Diversified and Highly Technical Product Offering

## *Ability to Cross-Sell Lightweighting Solutions Throughout the Entire Vehicle*

Capabilities drive leading and pioneering products, such as running boards, load floors and HVAC ducts



Diverse Processes and Capabilities Enable Portfolio Breadth



Injection Molding



Blow Molding



2-Shot Molding



3D Flashless Blow Molding



Class A Painting



Wrapping



Polyurethane Composite Board



Compression Molding



Continuous Extrusion Soft-Hard-Soft



Complex Assembly

# Local Manufacturing with a Global Reach Drives OEM Momentum

**Supplier to 90% of all OEM production facilities in North America**

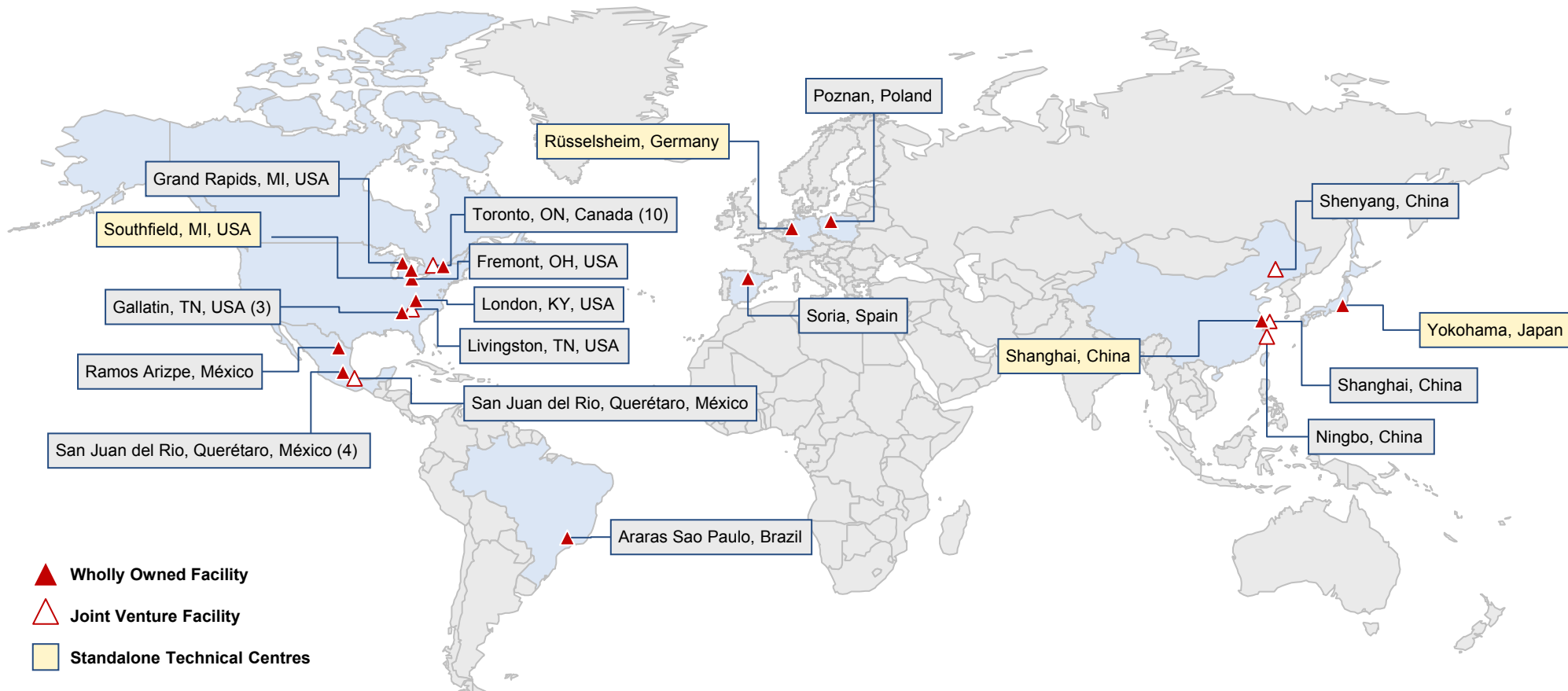
*Strategically located within 250 miles of a majority of our customers, providing logistical advantages*

**\$1+ Billion**  
Company<sup>(1)</sup>

**25+**  
OEM Customers

**6,150** Employees<sup>(2)</sup>  
+1,450 in JVs  
**600+** Skilled Professionals

**33** Locations  
**28** Manufacturing Facilities  
**10** Technical and Customer Centres<sup>(3)</sup>



(1) Figure represents expected Fiscal 2021 forecasted Sales. Such forecast Fiscal 2021 figure is based on ABC's current beliefs, expectations and assumptions, including anticipated light vehicle production volumes, and information currently available to it. See "Disclaimer – Forward-Looking Information."

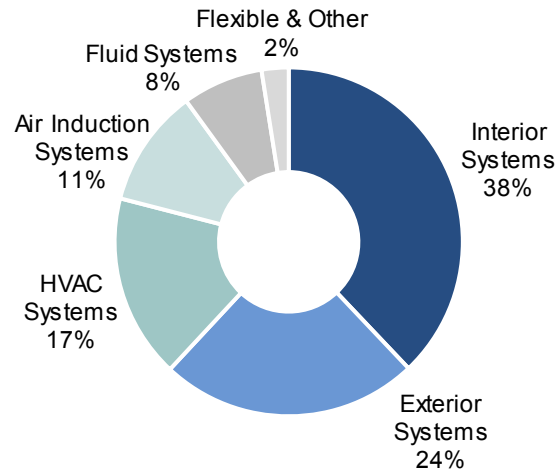
(2) All employees are non-union other than one joint venture plant in each of Canada and Mexico, our Mexican facilities and statutory unions.

(3) Includes four standalone technical centres and six technical and customer centres that are located on-site at the relevant manufacturing facility.

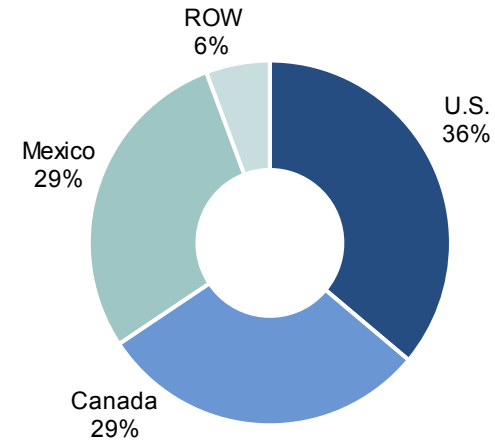


# North American Leader Diversified Across Product Groups and Within OEMs and Their Platforms

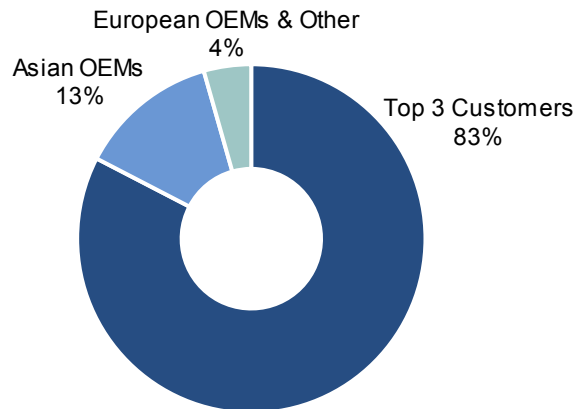
Sales by Product Group<sup>(1)</sup> – Fiscal 2020



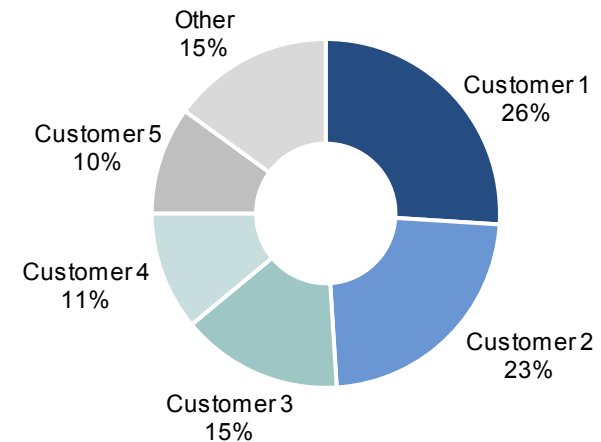
Sales by Geography – Fiscal 2020



Sales by Customer – Fiscal 2020



Over \$2 Billion of Diverse OEM New Business Wins Over Last 3 Fiscal Years

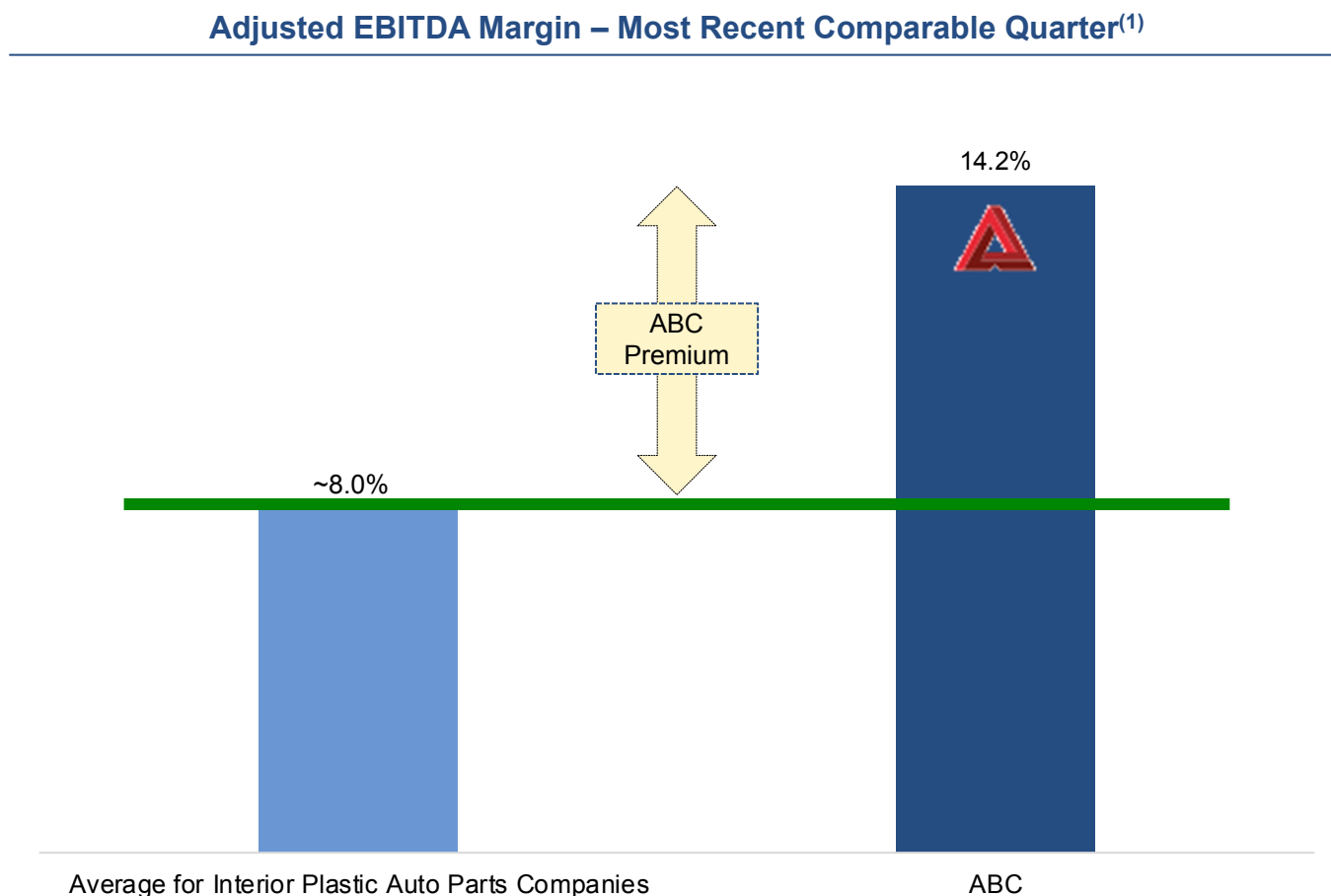


(1) Excludes tooling sales, which are typically associated with the start-up or renewal of platform programs. This provides for better comparability of company segmentation. Tooling sales have typically represented less than 10% of our Sales. Also includes proportionate share of joint venture revenues.

# Able to Realize Substantially Higher Margin Versus “Traditional” Interior Plastic Auto Parts Companies

We believe ABC’s focus on technical, high-value-added plastics creates a premium margin

- Management believes leading product portfolio and innovation stream positions ABC to sustain premium margins over time
- Premium margins maintained in most recent comparable quarter versus “traditional” interior plastic auto parts companies – demonstrates structural flexibility benefit of ABC<sup>(1)</sup>



(1) Most recent comparable quarter is Q3 CY2020, which equates to ABC's Q1 FY2021; based on publicly available information for Grupo Antolin and Samvardhana Motherson Automotive Systems Group, both of whom have disclosed Q3 CY2020 financial results.

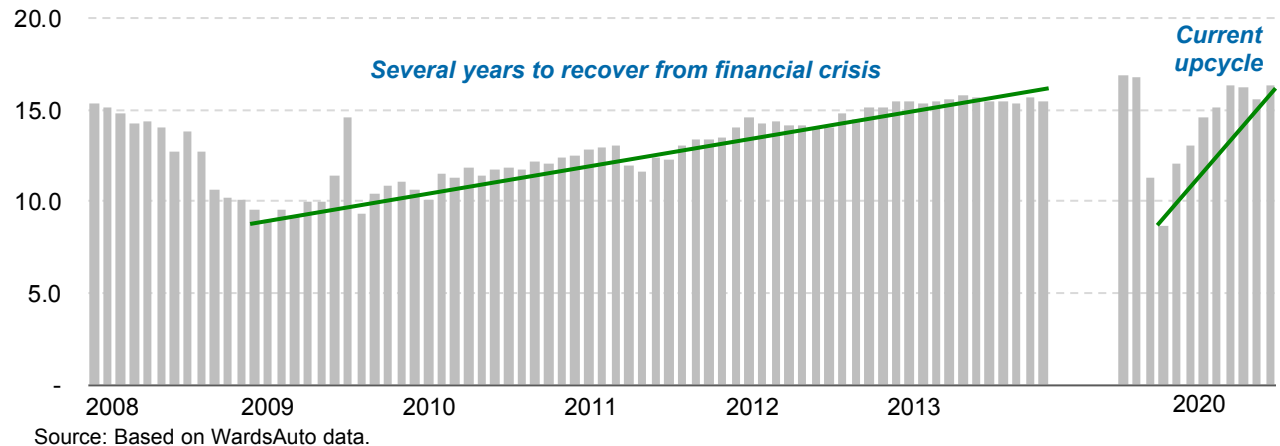
# Poised for Industry Rebound and Cyclical Upswing

**Over \$1 trillion global market size, with North America at 18% of global production<sup>(1)</sup>**

- Post-COVID19 volumes rebounding with expected 4.8% CAGR from Fiscal 2020 through Fiscal 2025<sup>(2)</sup>
- IHS Markit has increased its forecast for CY2020 through CY2022 by 8.7%, or 3.7 million units, since June
- Volumes have rebounded strongly following end of COVID-19-related shutdowns and ramping back up to pre-COVID-19 volumes, with ongoing growth, as opposed to a more gradual recovery after the global financial crisis

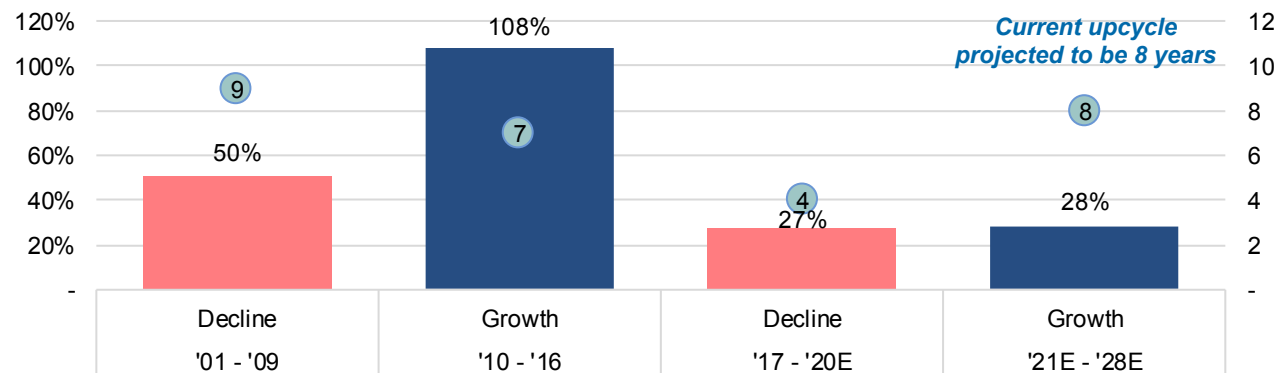
## U.S. SAAR (Annualized monthly light vehicle sales in millions)

**SAAR quickly rebounding to pre-COVID levels in just a few months, with ongoing volume upside**



## Historical North American Auto Production Cycles<sup>(3)</sup>

**The two most recent downcycles lasted an average of 6.5 years  
The most recently completed upcycle lasted approximately seven years**



■ Change from Last Trough / Peak    ● Duration of Cycle (years)

Source: Based on IHS Markit data.

(1) Based on IHS Markit industry production volume data for the twelve-month period ended December 31, 2019, as well as ABC management's estimate of CPV.

(2) Based on IHS Markit industry production volume data as of January 2021.

(3) A cycle is determined when volumes change by over 10% from peak / trough and there are at least two years of consecutive increases or declines.

## 2. Investment Highlights

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## Investment Highlights

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- 1 Strong Market Share and Leadership Across North America**
- 2 Unique Vertical Integration and Plastics Lightweighting Capabilities**
- 3 Industry-Leading Technical Capability and Product / Process Development Expertise**
- 4 Lightweighting and Powertrain-Agnostic Portfolio Aligned with Key Trends Drives Above-Market Growth**
- 5 Entrenched Customer Relationships with Repeatable Blueprint for Growth and CPV Penetration**
- 6 Experienced Management Team with a Track Record of Driving Value Creation**
- 7 Significant Investments in Manufacturing Infrastructure and Processes are Expected to Drive Free Cash Flow**

# 1 Strong Market Share and Leadership Across North America

Significant market shares in multiple core product groups

*Thus far in Fiscal 2021, we had content on over 75% of all light vehicles manufactured in North America and strong representation on the top 15 models produced*

Select North American Market Shares  
in Key Product Groups (Fiscal 2020)<sup>(1)</sup>

Product Group	Market Share
 <b>Running Boards<sup>(2)</sup></b>	> 40%
 <b>Spoilers</b>	> 25%
 <b>Cargo Load Floors (SUV/CUV)</b>	> 25%
 <b>HVAC Duct Systems</b>	> 30%
 <b>Windshield Washer Systems</b>	> 30%

Top 15 North American Production Models  
(YTD Fiscal 2021)

Model	% of Total Light Vehicle Production
Ford F-Series	5%
Chevrolet Silverado	4%
FCA Ram	4%
Honda CR-V	3%
Toyota RAV4	3%
Toyota Camry	2%
Chevrolet Equinox	2%
Toyota Tacoma	2%
Ford Explorer	2%
Toyota Highlander	2%
Honda Civic	2%
Jeep Wrangler	2%
Jeep Grand Cherokee	2%
Honda Accord	2%
GMC Sierra	2%
<b>Total</b>	<b>39%</b>

Source: Based on IHS Markit data.

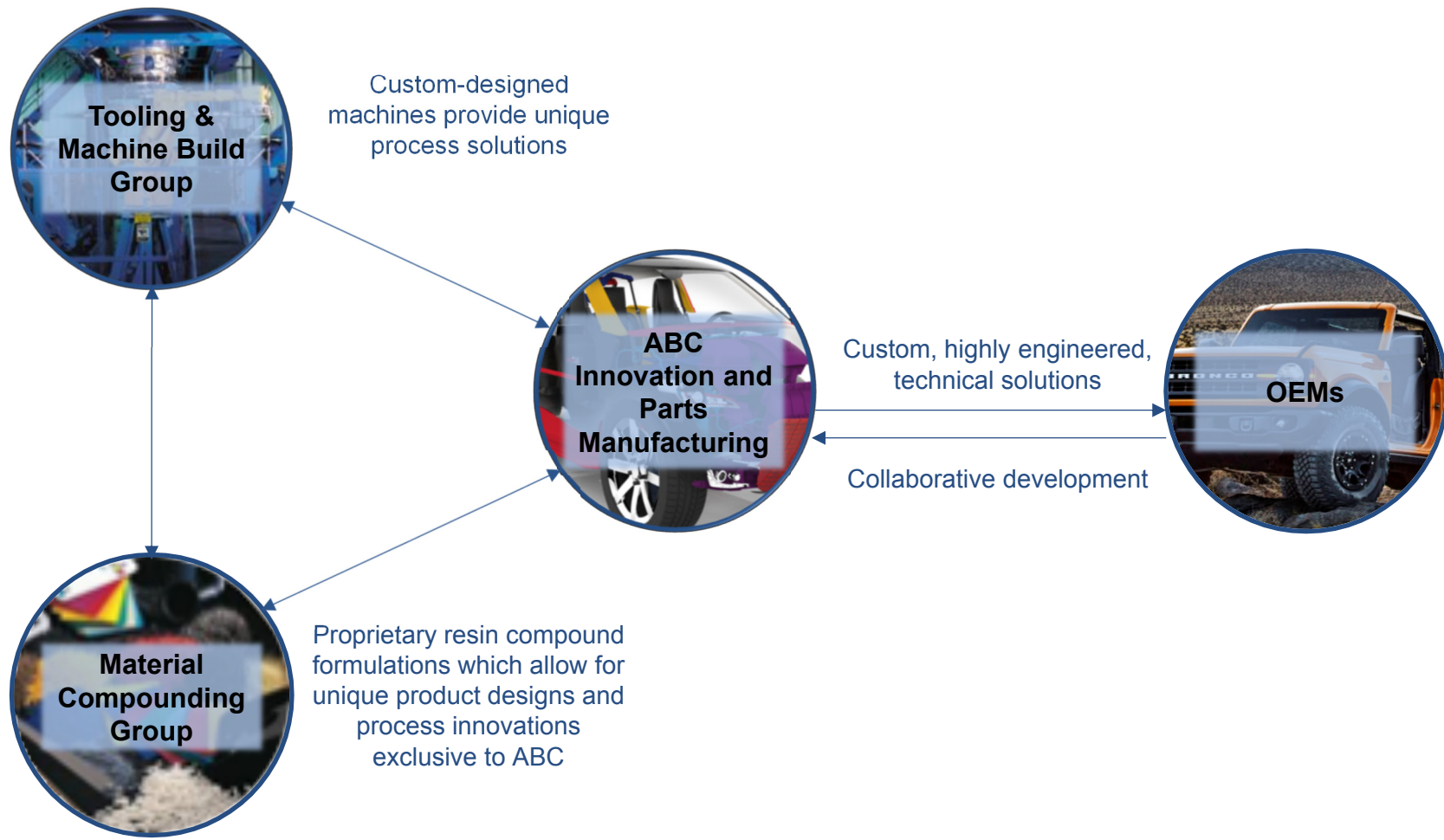
(1) Based on management estimates.

(2) Running boards do not include retractable running boards.

## 2 Unique Vertical Integration and Plastics Lightweighting Capabilities

Ability to innovate across product development, materials and process resulting in a continual stream of industry unique and differentiated innovation capabilities

### Vertical Integration Driving Unique Capabilities in the Auto Parts Value Chain



## 2 Unique Vertical Integration and Plastics Lightweighting Capabilities (Cont'd)

Long history of first-to-market innovation will continue to allow ABC to outgrow the competition

### Pioneering History Example



Blow Molded  
Running  
Boards

Leading position in fixed running boards

Industry-first plastic running boards

Weight savings of ~30% vs alternative

Cost savings

### Recent Success Example



Criss-Cross  
Internal Wall  
Structure Load  
Floor

Proprietary internal rib structure

Integral to award of FCA cargo system and Toyota load floors

Weight savings of over 30% vs alternative

### Future Lightweighting and Innovation



Recycled  
Carbon Fibre  
("RCF") RB  
Brackets

Multiple projects for integration of RCF across ABC product portfolio

>50% weight reduction and equal or increased rigidity



Bio-Mass and  
Organic  
Plastics

Biopolymer composites with engineered cellulose fibre

8% weight savings and reduced press cycle times

Strength and reinforcement in an eco-friendly plastic

Prototype parts being tested



Biopolymer  
Air Induction



Cargo  
Management  
Systems

Unique integrated storage and activity features

Weight reduction vs alternative technologies



## Industry-Leading Technical Capability and Product / Process Development Expertise

Broad technical expertise and deep engineering portfolio allows ABC to drive continual innovation

### Innovation by the Numbers



**600+ Skilled Professionals** (500 engineers and 100 additional employees serving in technical engineering roles) located in a cutting-edge engineering and testing technical centre in Toronto and 9 regional technical / design centres



**300+ Patents** issued historically or currently pending



**150+ New and Developing Products, Processes & Material-based Innovations and First-to-Market Solutions**



**139 Proprietary Resin Compound Formulations** approved by OEMs for use in ABC exclusive applications



**32 Research Collaborations and 22 Advanced In-House Research Projects** under development

**Pivoted to medical device production during COVID-19**

### Sample of Next Generation Advanced Product Development Innovations

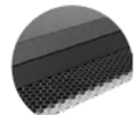
#### Lightweight Material Substitution for Weight Reduction



*Advanced Composite Tape*



*Additive Manufacturing (3D Printing and Material)*



*Recycled Carbon Fibre*

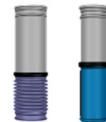
#### Process Innovation for Lower Production Costs



*In-Mold Welding*



*Variable Cooling*

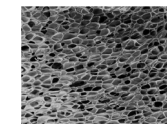


*Injection Overmold*

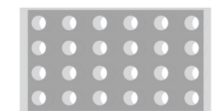
#### Product Innovation for New Market Opportunities



*Under Seat and Rear Cargo Storage*



*Plastic Foamed Interior / Exterior Components*

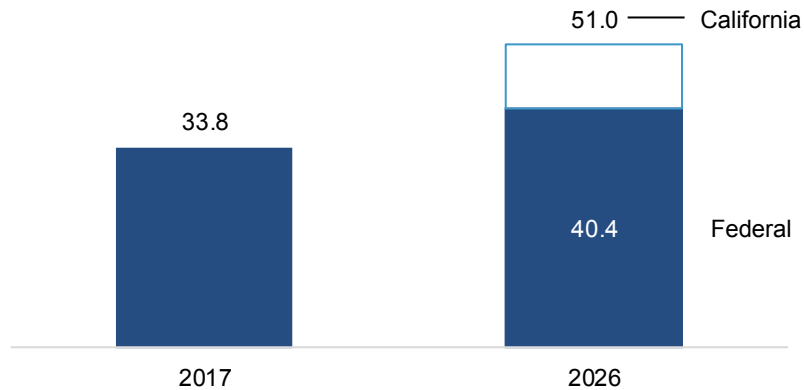


*Airwave – Headliner Air Distribution System*

## Lightweighting and Powertrain-Agnostic Portfolio Aligned with Key Trends Drives Above-Market Growth

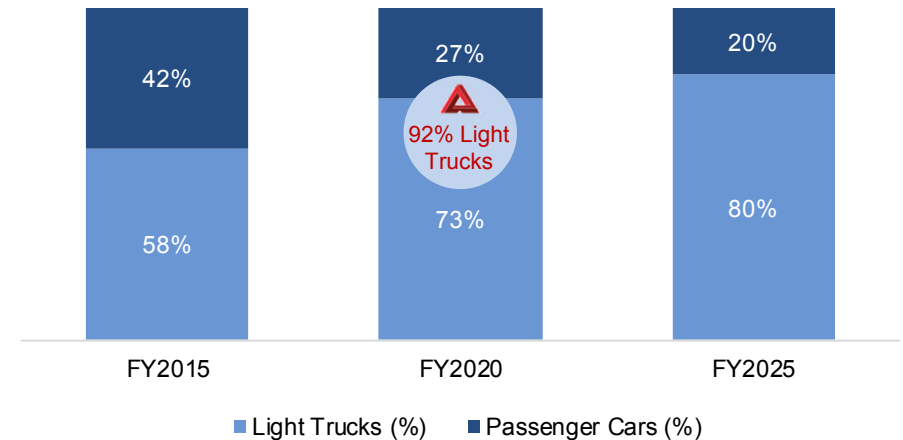
Plastic auto parts market benefiting from CAFE standards, including the need to further lightweight light trucks (growing segment) and electric vehicles (improved battery range)

Average of OEMs' CAFE Requirements  
for U.S. Light Vehicles (mpg)



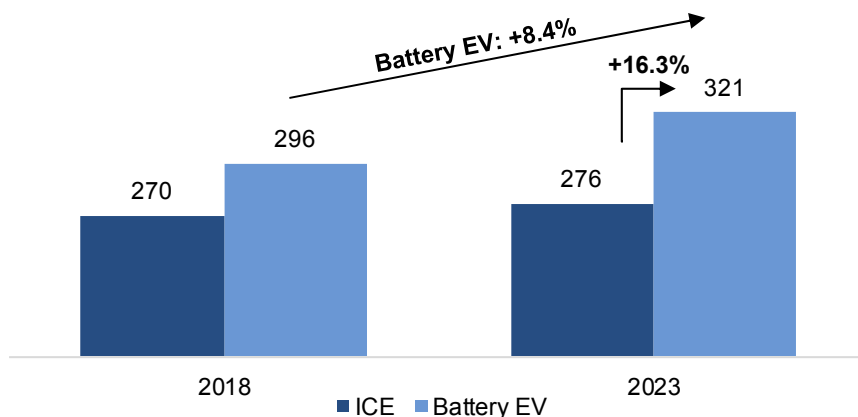
Source: The Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule for Model Years 2021–2026 Passenger Cars and Light Trucks, U.S. Department of Transportation. (April 30, 2020)

North American Production by Vehicle Type (%)



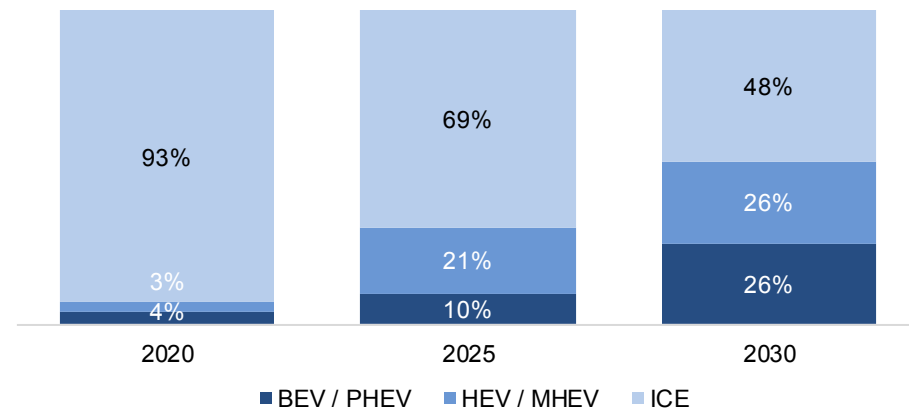
Source: IHS Markit as of January 2021.

Average Plastic Content by Powertrain Type (lbs)



Source: Plastics in Global Electric Vehicle Market, Lucintel. (July 20, 2018)

U.S. Light Vehicle Sales by Drivetrain (%)



Source: Who Will Drive Electric Cars to the Tipping Point?, Boston Consulting Group. (January 2, 2020)

# Lightweighting and Powertrain-Agnostic Portfolio Aligned with Key Trends Drives Above-Market Growth (Cont'd)

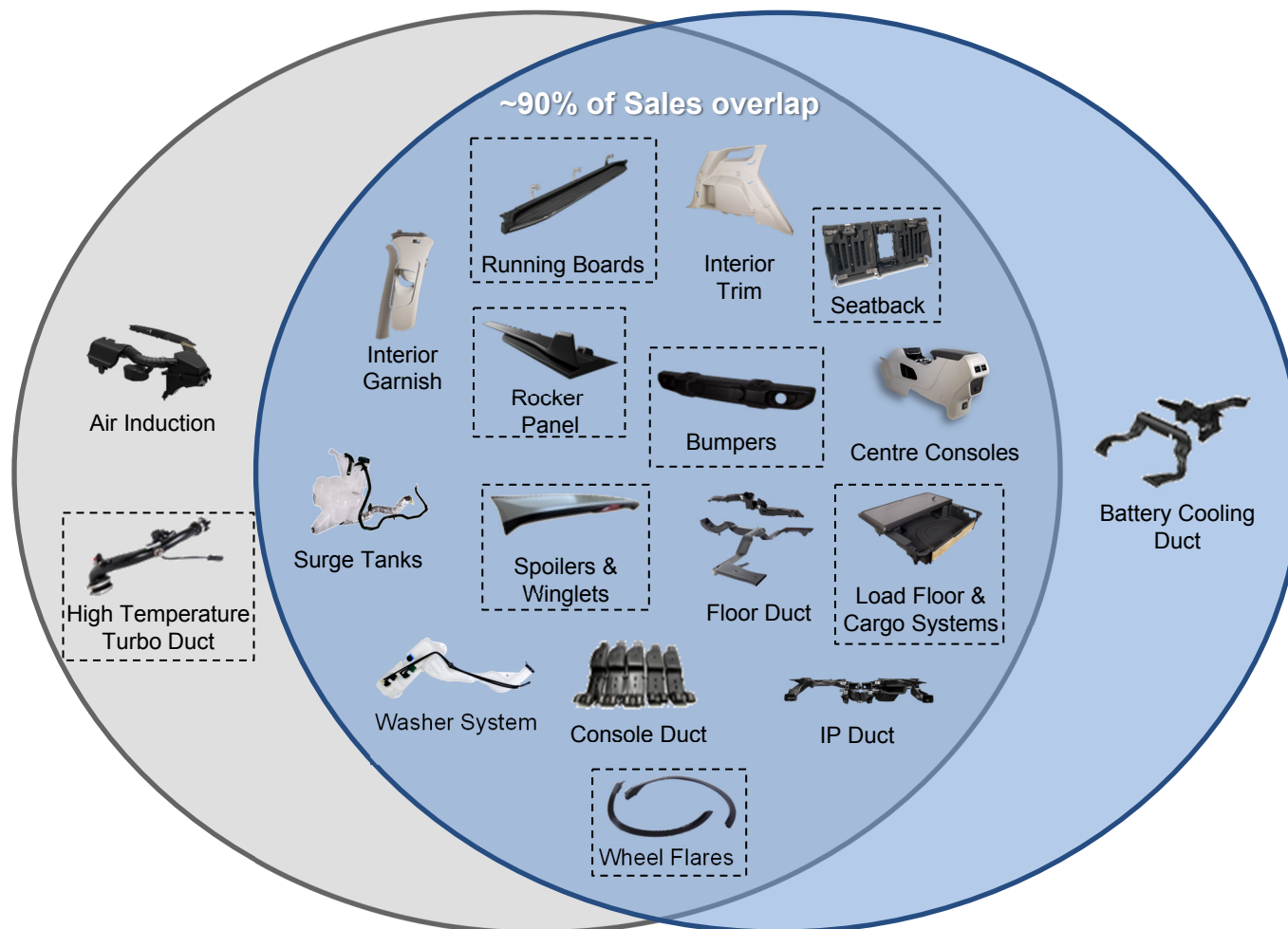
~90% of Sales are derived from powertrain-agnostic products

## Segmentation of ABC Products by Powertrain

ICE and Hybrid-Only

Multi-Powertrain

Electric Vehicle-Only



### Select Recent EV Wins



Ford F-150 Electric



Ford Mustang Mach-E



Rivian Amazon Van

Denotes lightweighting advantage over metal alternative

Denotes use / potential use on battery electric vehicle

## Entrenched Customer Relationships with Repeatable Blueprint for Growth and CPV Penetration

### Multi-decade and integrated OEM relationships

- There remains significant opportunity to grow content per vehicle across OEMs and their platforms
- ABC's North American CPV: \$72 average, \$100 average on top 25 platforms by sales and \$600 on top CPV coverage platform<sup>(1)</sup>

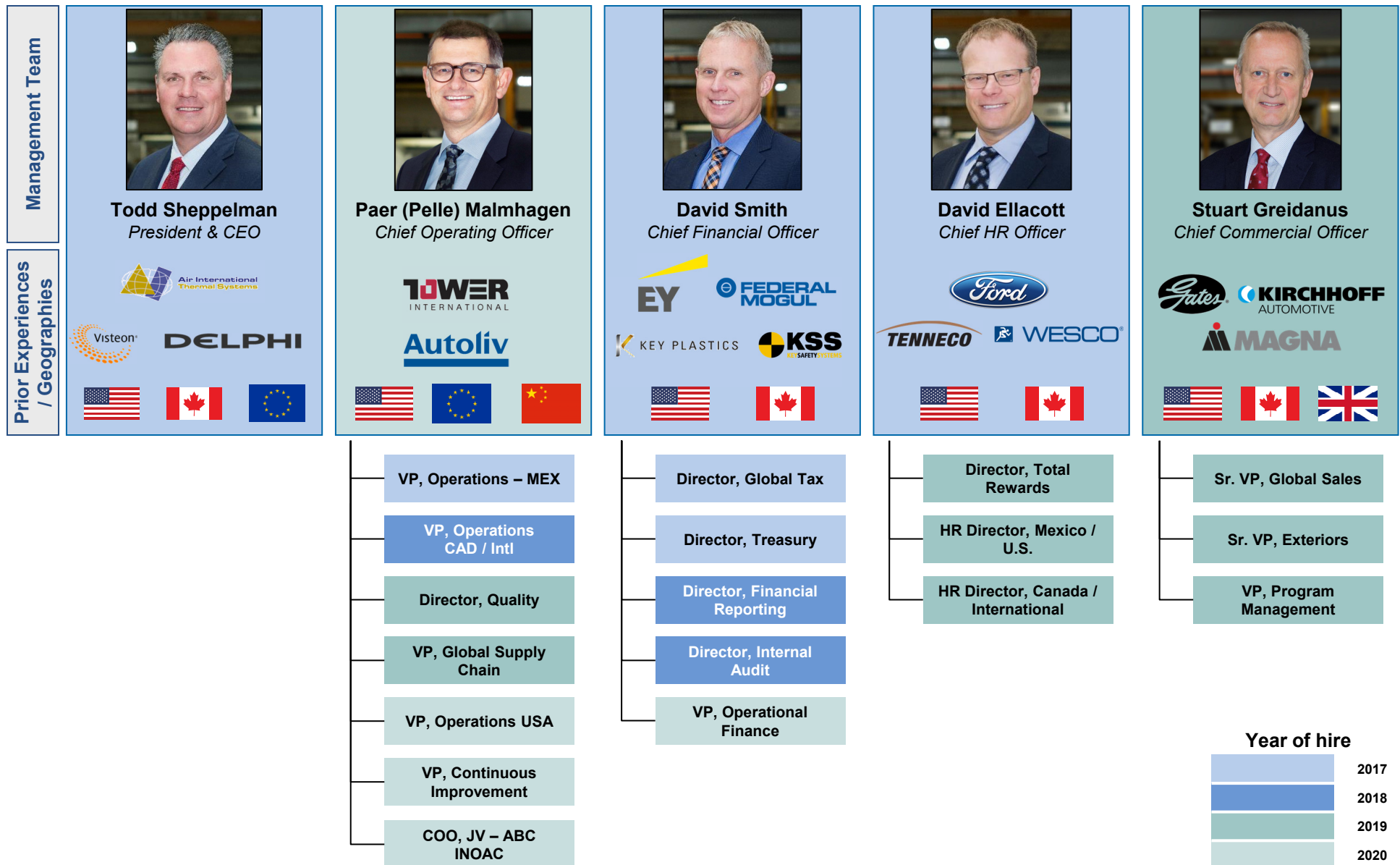
Customer	Customer A	Customer B	Customer C	Customer D	Customer E	Customer F	Customer G
Relationship Tenure	46 yrs	46 yrs	46 yrs	32 yrs	27 yrs	32 yrs	4 yrs
% of Light Vehicles with ABC Content	99%	99%	79%	81%	76%	100%	59%
CPV Opportunity	Medium	High	High	High	High	High	High
Interior	✓	✓	✓	✓	✓	✓	✓
Exterior	✓	✓	✓	✓	✓	✓	✓
HVAC	✓	✓	✓	✓	✓	✓	✓
Fluids	✓	✓	✓	✓	✓		✓
Air Induction	✓		✓	✓	✓	✓	
Flexible	✓	✓	✓	✓		✓	

✓ Current and Awarded Business

(1) CPV calculated inclusive of joint ventures and excluding tooling sales. "top CPV coverage platform" means the Company's North American platform with the highest dollar amount of CPV in Fiscal 2020.



# Experienced Management Team with a Track Record of Driving Value Creation



Year of hire



~150 years of combined auto sector experience

## Significant Investments in Manufacturing Infrastructure and Processes are Expected to Drive Free Cash Flow

Management has focused on facility improvements, modernization and working capital efficiency to position ABC for strong cash generation

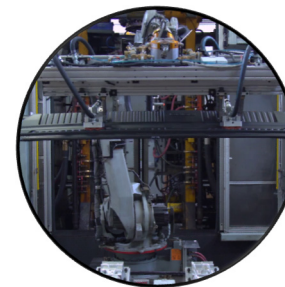
### Investments in Manufacturing Infrastructure and Processes



**Greenfield facilities to support growth**

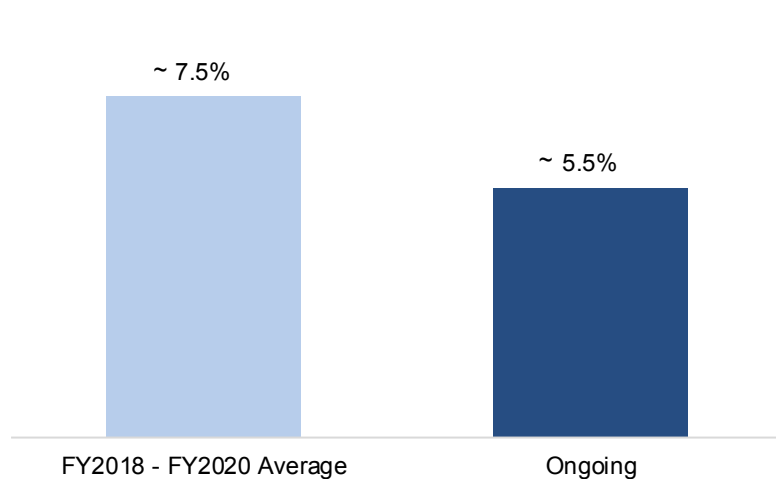


**Modernize largest facilities for efficiency and process improvement**

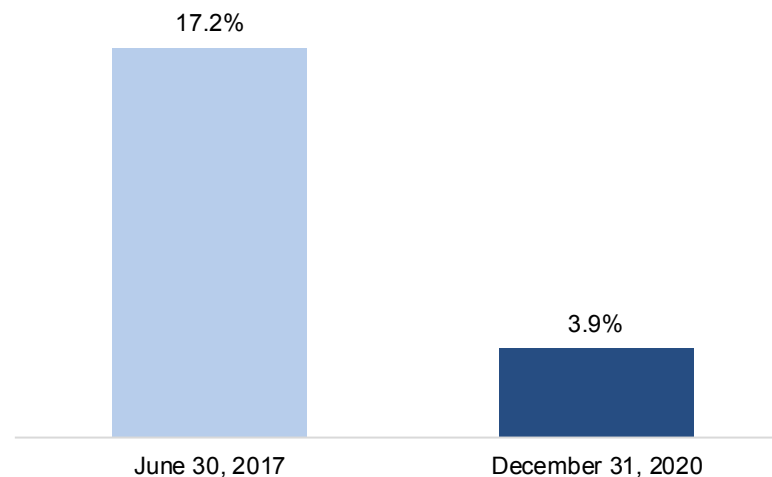


**Add specialized machines to support innovative products**

### Capital Expenditures (% of Sales)



### Trade Working Capital<sup>(1)</sup> (% of LTM Sales)



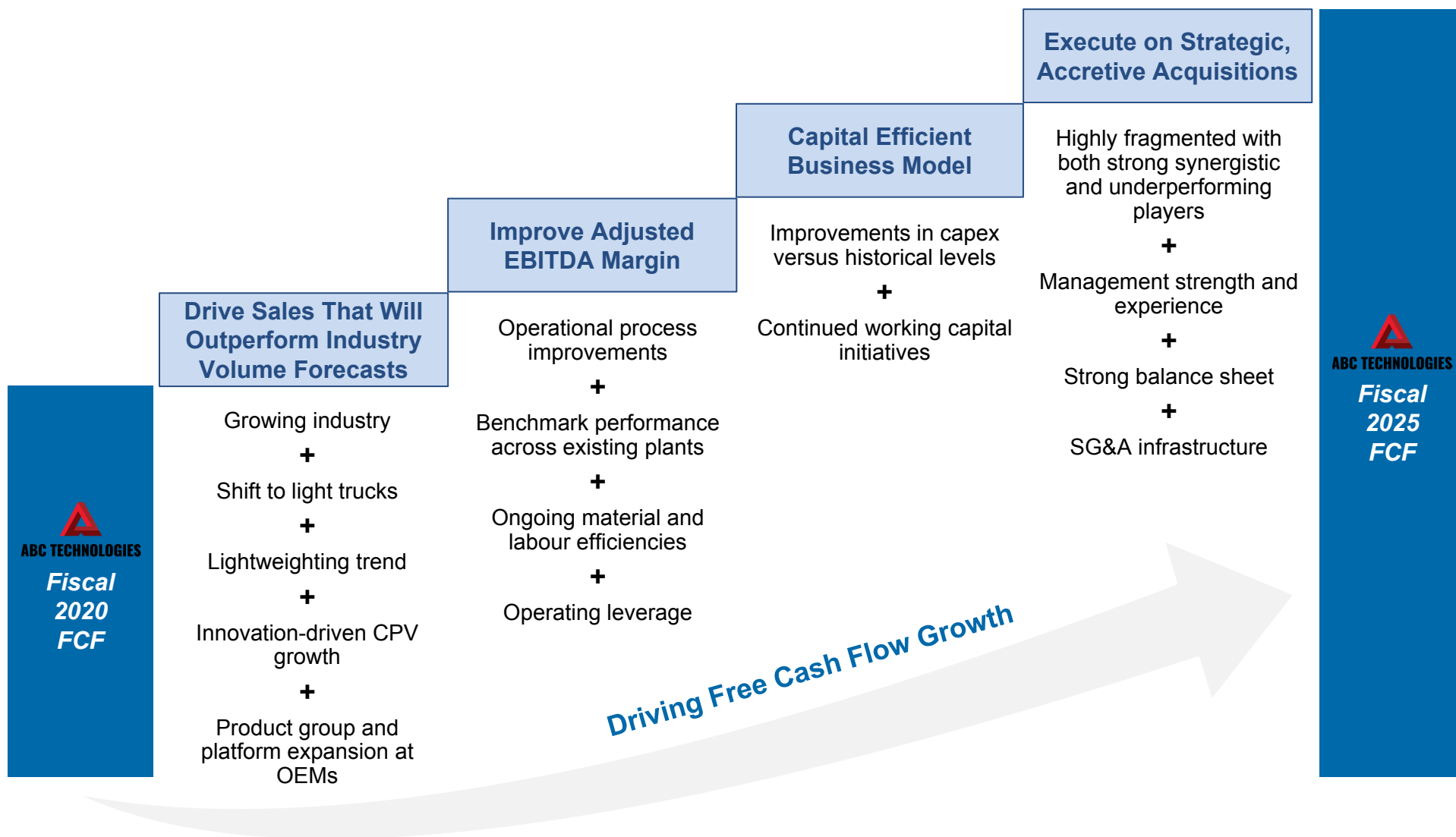
(1) Trade working capital calculated as trade and other receivables plus inventories less trade payables

### **3. Growth Opportunities**

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# Growth Opportunities

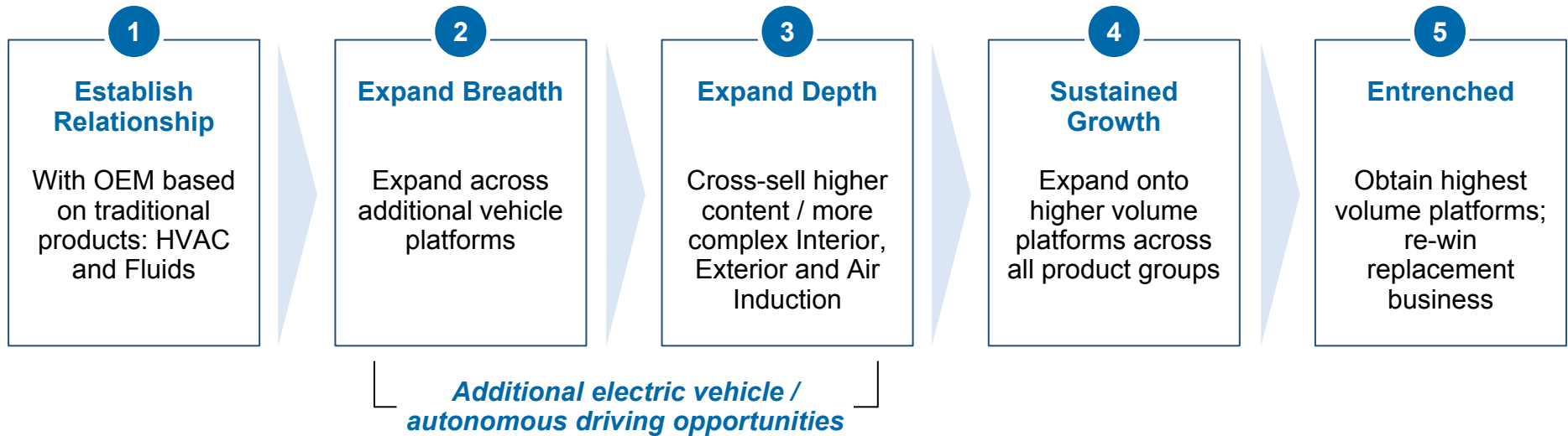
We believe we are well positioned to continue driving Sales growth, profitability and Free Cash Flow



# Increasing CPV with Customers Over Time

We believe we have a repeatable blueprint for CPV penetration

## ABC Revenue Growth Strategy



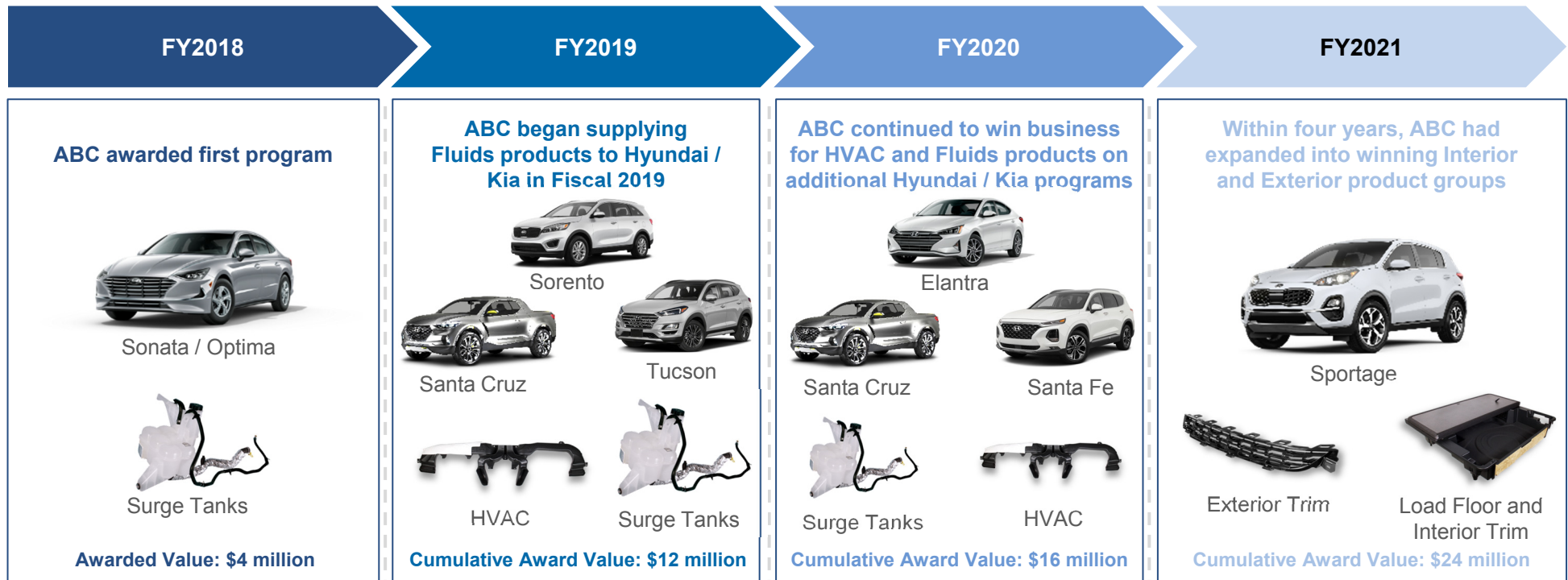
Recently increased CPV with one of our OEMs through content and product group expansion by...





# Case Study: Hyundai / Kia Growth Story

Early stages of demonstrated expansion with a new customer in North America, growing to \$24 million in new business awards within 4 years



Successful expansion into 4 of 6 ABC product groups on 8 Hyundai / Kia vehicle models within 3 years of initial award in the North American region, demonstrating ABC's proven blueprint for customer and CPV expansion

# Driving Adjusted EBITDA Margin Improvement Through Competitive Cost and Process Improvement

Ongoing cost and process improvement actions to further drive long-term Adjusted EBITDA Margin enhancement



## Acquisitions as an Incremental Upside Growth Lever

There are a number of opportunities to pursue accretive, add-on acquisitions, which we are evaluating and expect to actively pursue or continue to pursue

<b>Strong Acquisition Platform</b>	<ul style="list-style-type: none"><li>▪ Strong management team that has been upgraded in virtually all areas of the organization</li><li>▪ Substantially improved processes and systems that will facilitate acquisition integration</li><li>▪ Very low leverage (1.5x Net Debt / FY2021E Adjusted EBITDA<sup>(1)</sup>) and significant liquidity</li><li>▪ Excellent reputation with customers (e.g. customer-directed takeover of competitor business during COVID-19 downturn)</li></ul>
<b>Robust Opportunity Set</b>	<ul style="list-style-type: none"><li>▪ Several logical acquisition targets long-held by financial sponsors looking for an exit</li><li>▪ Pockets of distress among smaller suppliers that could bring complementary customers, locations or products</li></ul>
<b>Significant Synergy Potential</b>	<ul style="list-style-type: none"><li>▪ Leveraging material cost spend</li><li>▪ Reducing overhead and SG&amp;A</li><li>▪ Rationalizing manufacturing footprint</li><li>▪ Improving Adjusted EBITDA and Free Cash Flow through best practice sharing (e.g. working capital)</li></ul>

(1) Pro forma for the Offering and Credit Agreement Amendment – see “Capitalization as of December 31, 2020” on slide 33 of this presentation, including related footnotes.

## 4. Financial Overview

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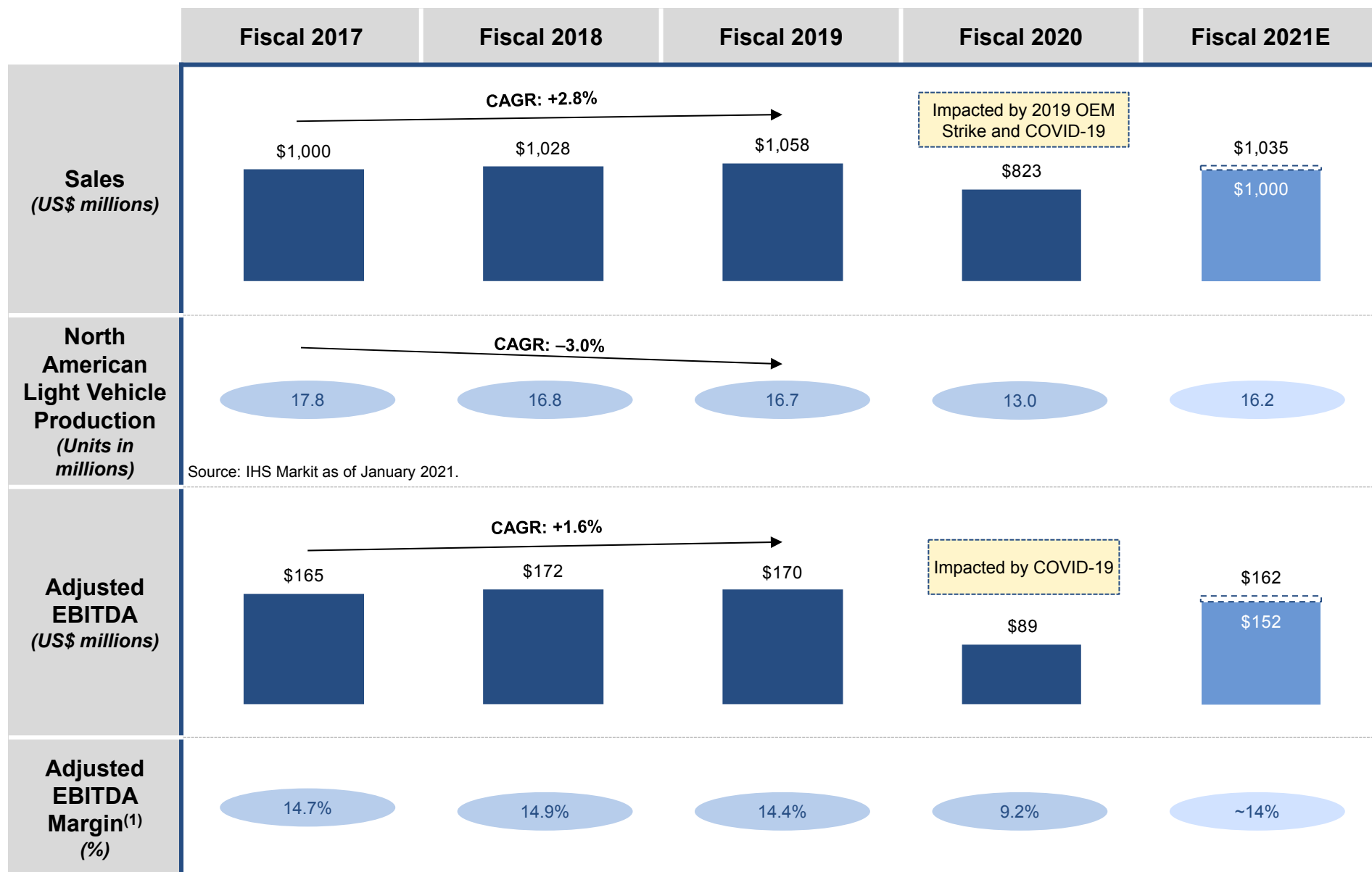
# Key Financial Drivers

Topline	Adjusted EBITDA	Free Cash Flow
<ul style="list-style-type: none"> <li>■ Industry Growth</li> <li>■ Light Truck Share</li> <li>■ Fuel Efficiency and Lightweighting</li> <li>■ CPV</li> </ul>	<ul style="list-style-type: none"> <li>■ Competitive Cost and Process Management</li> <li>■ Resin Pricing – ~50% of resin contracts have customer pricing mechanisms or other commercial practices that insulate or reduce exposure to market fluctuations</li> <li>■ Business Equation – Pricing / economics offset by continuous improvement</li> <li>■ Labour – Highly flexible, non-union<sup>(1)</sup> labour force</li> <li>■ FX – Hedging on principal currencies (CAD and MXN)</li> </ul>	<ul style="list-style-type: none"> <li>■ Capital Expenditures</li> <li>■ Net Working Capital</li> </ul>

(1) All employees are non-union other than one joint venture plant in each of Canada and Mexico, our Mexican facilities and statutory unions.



## Sales and Adjusted EBITDA



(1) Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Sales adjusted to include the proportionate share of joint venture sales attributable to ABC as well as estimated lost sales due to the 2019 OEM Strike in Fiscal 2020.

## Quarterly Performance

(\$ in USD millions)	Fiscal 2020				Fiscal 2021	
	Q1	Q2	Q3	Q4	Q1	Q2
	← Impacted by additional launch costs and 2019 OEM Strike →		← Impacted by COVID-19 →			
<b>Sales</b>	<b>\$252</b>	<b>\$250</b>	<b>\$239</b>	<b>\$82</b>	<b>\$258</b>	<b>\$261</b>
<b>EBITDA</b>	<b>\$29</b>	<b>\$35</b>	<b>\$32</b>	<b>(\$26)</b>	<b>\$42</b>	<b>\$42</b>
Add: Additional launch and related costs	\$14	\$7	-	-	-	-
Add: Impact of 2019 OEM Strike	\$4	\$10	(\$4)	-	-	-
Add: Net JV impact <sup>(1)</sup>	\$1	(\$1)	\$1	\$2	\$2	\$2
Less: Lease payments (IFRS 16 accounting)	(\$5)	(\$6)	(\$6)	(\$6)	(\$6)	(\$6)
Add: Other adjustments	(\$2)	\$3	\$7	(\$1)	\$3	\$5
<b>Adjusted EBITDA</b>	<b>\$42</b>	<b>\$48</b>	<b>\$30</b>	<b>(\$31)</b>	<b>\$41</b>	<b>\$44</b>
<i>Adjusted EBITDA Margin</i> <sup>(2)</sup>	<i>13.9%</i>	<i>15.7%</i>	<i>11.5%</i>	<i>(30.9%)</i>	<i>14.2%</i>	<i>14.7%</i>

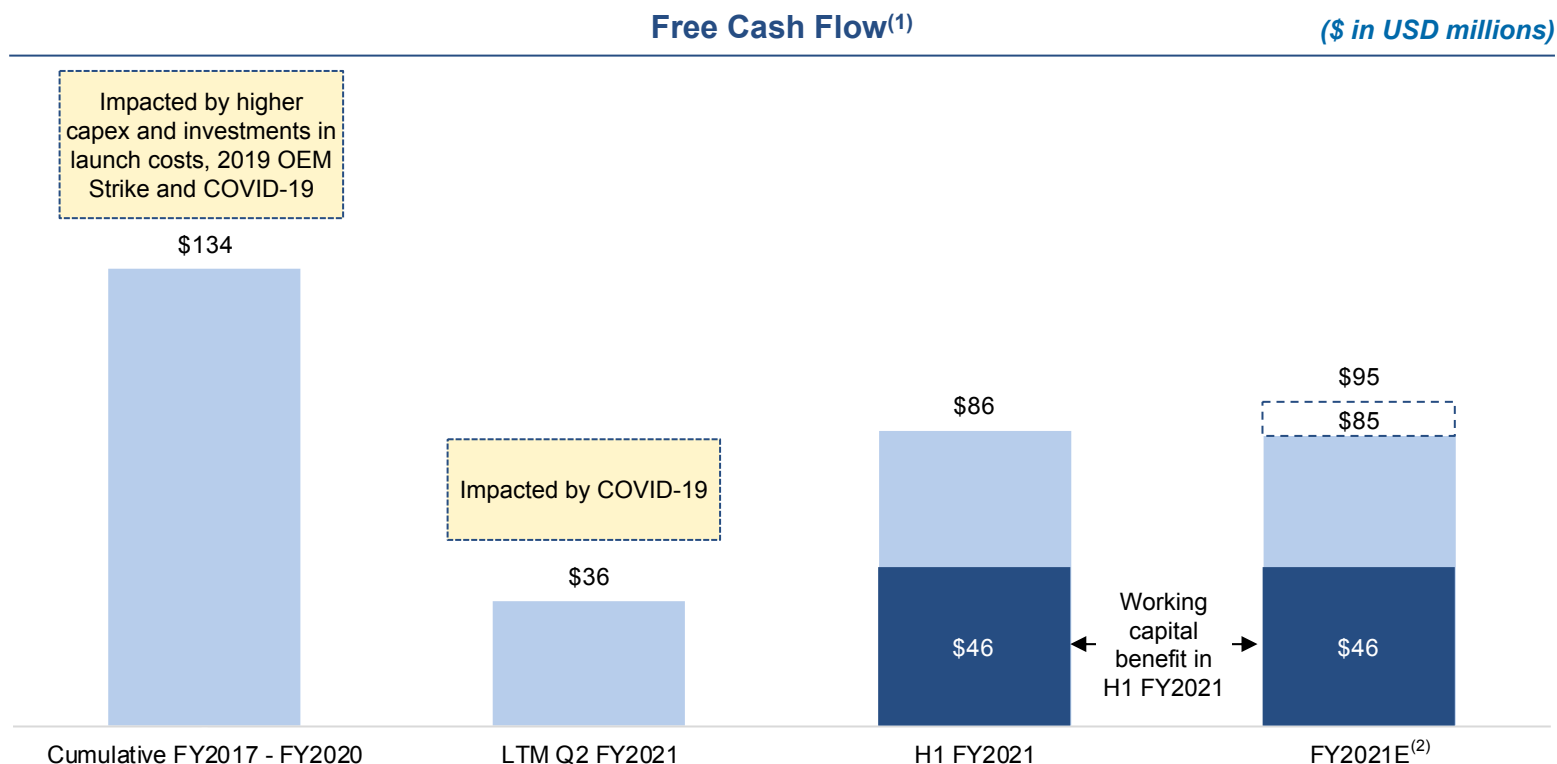
Note: Numbers may not add due to rounding.

(1) Comprised of EBITDA from joint ventures less share of income of joint ventures.

(2) Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by Sales adjusted to include the proportionate share of joint venture sales attributable to ABC as well as estimated lost sales due to the 2019 OEM Strike in Fiscal 2020.

# Free Cash Flow

Free Cash Flow going forward is significant, given historical capital investments and improved working capital position



(1) Free Cash Flow calculated as net cash flows from operating activities less capex, additions to intangible assets and principal payments of lease liabilities plus proceeds from disposals of property, plant and equipment, proceeds from disposal of Polybottle Group and dividends received from joint ventures.

(2) Excludes the Underwriters' Fee of \$11.1 million (assuming no exercise of the Over-Allotment Option), the expenses of the Offering estimated to be approximately \$2.0 million and certain other non-Offering related extraordinary costs we expect to incur during the second half of FY2021, including distributions under the terms of VC Plan and one-time payments anticipated to be made as special incentive bonus compensation (see "Executive Compensation" in the preliminary prospectus).

## Capitalization as of December 31, 2020

Conservative balance sheet with over \$200 million of total liquidity

### Pro Forma Capitalization as of December 31, 2020 (US\$ millions)

	Pro Forma for the Offering <sup>(1)</sup>	Pro Forma for the Offering and Credit Agreement Amendment <sup>(2)</sup>
Debt	\$283	\$293
Proportionate share of debt held at joint ventures	--	--
Total debt	\$283	\$293
Cash	\$50	\$49
Proportionate share of cash held at joint ventures	\$14	\$14
Total cash	\$65	\$64
<b>Net Debt<sup>(3)</sup></b>	<b>\$219</b>	<b>\$229</b>
<b>Net Debt / Adjusted EBITDA (Fiscal 2021E)<sup>(3)</sup></b>	<b>1.4x</b>	<b>1.5x</b>

### Pro Forma Liquidity as of December 31, 2020 (US\$ millions)

	Pro Forma for the Offering <sup>(1)</sup>	Pro Forma for the Offering and Credit Agreement Amendment <sup>(2)</sup>
Cash	\$50	\$49
Proportionate share of cash held at joint ventures	\$14	\$14
Undrawn amount of revolving credit facility	\$150 <sup>(4)</sup>	\$157
Letters of credit	(\$3)	(\$3)
<b>Total Liquidity</b>	<b>\$212</b>	<b>\$218</b>

(1) Cash is presented (A) after deducting the Underwriters' Fee of \$11.1 million (assuming no exercise of the Over-Allotment Option) and the expenses of the Offering estimated to be approximately \$2.0 million but (B) without deducting certain other non-Offering related extraordinary costs we expect to incur during the second half of FY2021, including distributions under the terms of VC Plan and one-time payments anticipated to be made as special incentive bonus compensation (see "Executive Compensation" in the preliminary prospectus).

(2) Pro forma for the Offering (as described in footnote 1) and the Credit Agreement Amendment, including \$1.1 million of estimated financing fees and the non-cash write-off of deferred financing costs in long-term debt of \$9.6 million.

(3) Net Debt calculated as total debt less total cash. Assumes mid-point of ABC's Adjusted EBITDA guidance for FY2021E of \$157 million.

(4) Excludes additional \$50 million revolving credit facility that matures in April 2021 but will be extinguished as part of the Credit Agreement Amendment.

## Fiscal 2021E (June 30, 2021) and Beyond

Key Metric	Fiscal 2021E Outlook <sup>(1)</sup>
Sales	▪ \$1,000 million to \$1,035 million
Adjusted EBITDA	▪ \$152 million to \$162 million
Free Cash Flow <sup>(2)</sup>	▪ \$85 million to \$95 million

### Five Year Outlook<sup>(1)</sup>

- **Sales Growth:** Sales and our proportionate share of joint venture revenue, taken together, will continue to outpace the rate of growth of IHS Markit's light vehicle production forecast
  - ▶ Fiscal 2020 – Fiscal 2025E industry volumes expected to grow at a 4.8% CAGR<sup>(3)</sup>
  - ▶ Approximately 90% of our Sales and proportionate share of joint venture revenue forecast for the next five fiscal years (excluding tooling sales) are classified as booked / replacement
- **Adjusted EBITDA Margin:** Benefit from operating leverage and operational process improvements
  - ▶ Target improvement in Adjusted EBITDA Margin from pre-COVID 19 historical levels
- **Capital Expenditures:** ~5.5% of Sales supports growth plan

(1) See "Disclaimer – Forward-Looking Information".

(2) Excludes the Underwriters' Fee of \$11.1 million (assuming no exercise of the Over-Allotment Option), the expenses of the Offering estimated to be approximately \$2.0 million and certain other non-Offering related extraordinary costs we expect to incur during the second half of FY2021, including distributions under the terms of VC Plan and one-time payments anticipated to be made as special incentive bonus compensation (see "Executive Compensation" in the preliminary prospectus).

(3) As per IHS Markit as of January 2021.

# Summary

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## Driving Sales Growth, Profitability Improvements and Free Cash Flow

### Investment Highlights

**Strong Market Share and Leadership Across North America**

**Unique Vertical Integration and Plastics Lightweighting Capabilities**

**Industry-Leading Technical Capability and Product / Process Development Expertise**

**Lightweighting and Powertrain-Agnostic Portfolio Aligned with Key Trends Drives Above-Market Growth**

**Entrenched Customer Relationships with Repeatable Blueprint for Growth and CPV Penetration**

**Experienced Management Team with a Track Record of Driving Value Creation**

**Significant Investments in Manufacturing Infrastructure and Processes are Expected to Drive Free Cash Flow**



## **5. Summary of the Offering**

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## Summary of the Offering

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<b>Issuer</b>	<ul style="list-style-type: none"> <li>ABC Technologies Holdings Inc. (the “Company”)</li> </ul>
<b>Selling Shareholders</b>	<ul style="list-style-type: none"> <li>ABC Group Canada LP</li> </ul>
<b>Offering</b>	<ul style="list-style-type: none"> <li>17,000,000 – 21,250,000 Common Shares</li> </ul>
<b>Offering Price</b>	<ul style="list-style-type: none"> <li>Between C\$12.00 – C\$15.00 per Common Share</li> </ul>
<b>Offering Size</b>	<ul style="list-style-type: none"> <li>C\$255,000,000 (100% Secondary)</li> </ul>
<b>Over-Allotment Option</b>	<ul style="list-style-type: none"> <li>15% of the Offering (100% Secondary)</li> </ul>
<b>Common Shares Outstanding</b>	<ul style="list-style-type: none"> <li>52,522,392</li> </ul>
<b>Dividend Policy</b>	<ul style="list-style-type: none"> <li>Annualized aggregate dividend payments of C\$7.9 million on a quarterly basis (C\$0.15 per share)</li> </ul>
<b>Retained Interest</b>	<ul style="list-style-type: none"> <li>Selling Shareholders: 60% – 68% (53% – 63% assuming full exercise of over-allotment option)</li> </ul>
<b>Offering Basis</b>	<ul style="list-style-type: none"> <li>Marketed public offering in Canada; Private placement to QIBs in the U.S. via Rule 144A</li> </ul>
<b>Lock-Up Arrangements</b>	<ul style="list-style-type: none"> <li>180 days for the directors, executive officers and Selling Shareholders</li> </ul>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>Eligible for RRSPs, RRIFs, RDSPs, DPSPs, RESPs and TFSAs</li> </ul>
<b>Listing</b>	<ul style="list-style-type: none"> <li>The Company has applied to have the Offered Shares listed on the Toronto Stock Exchange under the trading symbol “ABCT”</li> </ul>
<b>Active Bookrunners</b>	<ul style="list-style-type: none"> <li>Scotiabank, BMO Capital Markets and J.P. Morgan Securities Canada Inc.</li> </ul>
<b>Closing Date</b>	<ul style="list-style-type: none"> <li>Expected the week of February 15, 2021</li> </ul>

## Comparable Company Analysis

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In accordance with Section 13.7(4) of National Instrument 41-101 – General Prospectus Requirements, all the information relating to ABC's comparables and any disclosure relating to the comparables, which is contained in the presentation to be provided to potential investors, has been removed from this template version for purposes of its filing on the System for Electronic Document Analysis and Retrieval (SEDAR).

## 6. Appendix

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## Adjusted EBITDA and Free Cash Flow Reconciliation

(US\$ millions)	Q2		YTD		Fiscal 2020	Fiscal 2019	Fiscal 2018
	Fiscal 2021	Fiscal 2020	Fiscal 2021	Fiscal 2020			
<b>Net earnings (loss)</b>	<b>\$11</b>	<b>\$10</b>	<b>\$21</b>	<b>\$18</b>	<b>(\$26)</b>	<b>\$65</b>	<b>\$62</b>
Total income tax expense	\$2	\$0	\$5	\$3	(\$2)	\$18	\$11
Interest expense (net)	\$10	\$10	\$20	\$13	\$32	\$17	\$28
Depreciation of property, plant and equipment	\$11	\$10	\$23	\$19	\$40	\$33	\$32
Depreciation of right-of-use assets	\$3	\$3	\$7	\$7	\$14	-	-
Amortization of intangibles	\$5	\$2	\$9	\$5	\$12	\$8	\$9
<b>EBITDA</b>	<b>\$42</b>	<b>\$35</b>	<b>\$85</b>	<b>\$64</b>	<b>\$69</b>	<b>\$141</b>	<b>\$141</b>
Key management personnel severance <sup>(1)</sup>	-	-	-	-	-	-	\$7
Loss on disposal of property, plant and equipment	(\$0)	\$0	\$0	\$1	\$1	\$1	\$0
Unrealized loss on derivative financial instruments	(\$0)	\$1	(\$1)	\$1	\$3	\$2	\$5
Impact of 2019 OEM strike <sup>(2)</sup>	-	\$10	-	\$14	\$10	-	-
Transactional and recruitment bonuses <sup>(3)</sup>	\$3	-	\$4	-	\$1	\$0	\$4
Adjustment to acquisition-related payable <sup>(4)</sup>	-	\$0	-	(\$3)	(\$3)	-	-
Business transformation and related costs <sup>(5)</sup>	\$3	\$2	\$5	\$3	\$6	\$4	\$10
Additional launch and related costs <sup>(6)</sup>	-	\$7	-	\$21	\$21	\$39	-
Share of income of joint ventures <sup>(7)</sup>	(\$3)	(\$5)	(\$6)	(\$7)	(\$5)	(\$9)	(\$6)
EBITDA from joint ventures <sup>(7)</sup>	\$5	\$3	\$9	\$7	\$8	\$14	\$13
Gain on change in employee benefit plan <sup>(8)</sup>	-	-	-	-	-	-	(\$1)
Gain on disposal of Polybottle Group <sup>(9)</sup>	-	-	-	-	-	(\$14)	-
Changes to non-tooling onerous contracts <sup>(10)</sup>	-	-	-	-	-	(\$8)	(\$1)
Lease payments <sup>(11)</sup>	(\$6)	(\$6)	(\$11)	(\$11)	(\$22)	-	-
<b>Adjusted EBITDA<sup>(12)</sup></b>	<b>\$44</b>	<b>\$48</b>	<b>\$85</b>	<b>\$90</b>	<b>\$89</b>	<b>\$170</b>	<b>\$172</b>
<b>Net cash flows from operating activities</b>	<b>\$41</b>	<b>\$29</b>	<b>\$111</b>	<b>\$39</b>	<b>\$30</b>	<b>\$92</b>	<b>\$189</b>
Less: Purchases of property, plant and equipment	(\$9)	(\$16)	(\$18)	(\$48)	(\$73)	(\$79)	(\$64)
Add: Proceeds from disposals of property, plant and equipment	\$0	-	\$0	-	\$0	\$1	-
Less: Additions to intangible assets <sup>(13)</sup>	(\$3)	(\$4)	(\$7)	(\$8)	(\$21)	(\$16)	(\$19)
Add: Proceeds from disposal of Polybottle Group	-	-	-	-	-	\$22	-
Less: Principal payments of lease liabilities	(\$2)	(\$2)	(\$4)	(\$3)	(\$8)	-	-
Add: Dividends from joint ventures	\$4	\$0	\$4	\$3	\$3	\$8	\$5
<b>Free Cash Flow</b>	<b>\$30</b>	<b>\$7</b>	<b>\$86</b>	<b>(\$18)</b>	<b>(\$69)</b>	<b>\$28</b>	<b>\$111</b>

See next slide for detail around footnotes.

## Adjusted EBITDA and Free Cash Flow Reconciliation (Cont'd)

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- (1) Represents severance expense related to key management personnel as a result of organizational changes in Fiscal 2018.
- (2) Represents management's estimate of lost EBITDA associated with the 2019 OEM Strike. The Company estimated lost sales by comparing customer forecasted demand from IHS Markit prior to the strike compared with actual releases on a per vehicle basis. This comparison was done by quarter up to the end of February 2020. The Company estimate considered that a portion of the lost volume was recovered as such OEM customer publicly announced it would work to recover lost sales through working over time and extra shifts.
- (3) Represents incentive compensation paid to management in excess of 100% of the target level due to overperformance relative to budget, as well as transactional and recruitment bonuses.
- (4) Represents a gain recorded on the settlement of a liability payable to the former shareholders of ABC, established when the Company was acquired by the current shareholder.
- (5) Represents costs including consulting fees associated with enhancing business operations, organizational capability and related processes. These costs include services provided by Cerberus Operations and Advisory LLC and certain of ABC's directors.
- (6) Represents estimated additional launch costs associated with large programs included in cost of sales and selling, general and administrative expense.
- (7) Deducts share of income from joint ventures and adds EBITDA from joint ventures, which represents earnings before interest, taxes, and depreciation for the joint venture segment. This excludes any adjustment for the impact of the 2019 OEM Strike.
- (8) Represents a one-time benefit received from changing the employee benefit plan to an administrative service only plan in Fiscal 2018.
- (9) Represents the one-time gain realized from sale of all shares in the Polybottle Group, ABC's packaging manufacturing facilities on November 1, 2018.
- (10) Represents the adjustment of a reserve for non-tooling onerous contracts.
- (11) Represents the adjustment for operating lease payments to reverse the impact of IFRS 16.
- (12) Including the impact of IFRS 16, Adjusted EBITDA would have been \$49 million, \$54 million, \$96 million, \$100 million and \$111 million in Q2 Fiscal 2021, Q2 Fiscal 2020, YTD Fiscal 2021, YTD Fiscal 2020 and Fiscal 2020, respectively.
- (13) Represents capitalized development costs under IAS 38 Intangible Assets.