

SHILOH INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(Dollar amounts in thousands)

	October 31,	
	2014	2013
ASSETS:		
Cash and cash equivalents	\$ 12,014	\$ 398
Investment in marketable securities	1,045	—
Accounts receivable, net	171,242	116,837
Related-party accounts receivable	533	673
Prepaid income taxes	2,142	—
Inventories, net	91,303	42,924
Deferred income taxes	3,496	2,829
Prepaid expenses	11,987	3,095
Other assets	—	23
Total current assets	293,762	166,779
Property, plant and equipment, net	274,828	197,874
Goodwill	30,887	6,768
Intangible assets, net	21,998	17,605
Deferred income taxes	2,605	—
Other assets	5,445	2,927
Total assets	\$ 629,525	\$ 391,953
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current debt	\$ 1,918	\$ 882
Accounts payable	146,478	87,977
Other accrued expenses	41,336	26,416
Accrued income taxes	—	1,666
Total current liabilities	189,732	116,941
Long-term debt	268,102	119,384
Long-term benefit liabilities	19,951	21,287
Deferred income taxes	2,739	969
Interest rate swap agreement	2,510	—
Other liabilities	1,972	2,223
Total liabilities	485,006	260,804
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 per share; 5,000,000 shares authorized; no shares issued and outstanding at October 31, 2014 and October 31, 2013, respectively	—	—
Common stock, par value \$.01 per share; 25,000,000 shares authorized; 17,214,284 and 17,031,316 shares issued and outstanding at October 31, 2014 and October 31, 2013, respectively	172	170

Paid-in capital	68,035	66,312
Retained earnings	113,193	90,749
Accumulated other comprehensive loss, net	(36,881)	(26,082)
Total stockholders' equity	<u>144,519</u>	<u>131,149</u>
Total liabilities and stockholders' equity	<u>\$ 629,525</u>	<u>\$ 391,953</u>

The accompanying notes are an integral part of these consolidated financial statements.

SHILOH INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in thousands, except per share data)

	Years Ended	
	October 31,	
	2014	2013
Net revenues	\$ 878,744	\$ 700,186
Cost of sales	799,143	633,034
Gross profit	79,601	67,152
Selling, general and administrative expenses	50,207	31,181
Amortization of intangible assets	2,255	1,349
Asset impairment (recovery), net	(4,026)	18
Operating income	31,165	34,604
Interest expense	4,503	2,600
Interest income	(25)	(32)
Gain on bargain purchase	—	(228)
Other (income) expense, net	(504)	89
Income before income taxes	27,191	32,175
Provision for income taxes	4,747	10,605
Net income	\$ 22,444	\$ 21,570
Earnings per share:		
Basic earnings per share	\$ 1.31	\$ 1.27
Basic weighted average number of common shares	17,145	16,982
Diluted earnings per share	\$ 1.30	\$ 1.27
Diluted weighted average number of common shares	17,215	17,030

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SHILOH INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollar amounts in thousands)

	Years Ended	
	October 31,	
	2014	2013
Net Income	\$ 22,444	\$ 21,570
Other comprehensive income (loss):		
Defined benefit pension plans & other postretirement benefits		
Recognized gain	967	5,684
Actuarial net gain	1,352	1,441
Asset net (loss) gain	(4,391)	1,102
Income taxes	783	(2,998)
Total defined benefit pension plans & other post retirement benefits	<u>(1,289)</u>	<u>5,229</u>
Marketable securities:		
Unrealized gain on marketable securities	518	—
Income taxes on marketable securities	(53)	—
Reclassification adjustments for gain on marketable securities included in net income	(365)	—
Total marketable securities, net of tax	<u>100</u>	<u>—</u>
Derivatives and hedging:		
Unrealized loss on interest rate swap agreements	(2,510)	—
Income taxes on interest rate swap agreements	952	—
Change in fair value of derivative instruments, net of tax	<u>(1,558)</u>	<u>—</u>
Foreign currency translation adjustments:		
Foreign currency translation loss	(8,052)	—
Income taxes on foreign currency translation	—	—
Unrealized loss on foreign currency translation, net of tax	<u>(8,052)</u>	<u>—</u>
Comprehensive income, net	<u>\$ 11,645</u>	<u>\$ 26,799</u>

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SHILOH INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollar amounts in thousands)

	Years Ended October 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 22,444	\$ 21,570
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27,893	20,878
Amortization of deferred financing costs	807	338
Asset recovery	(4,026)	18
Bargain purchase gain	—	(228)
Deferred income taxes	843	589
Stock-based compensation expense	579	738
Gain on sale of assets	(806)	(1)
Gain on sale of marketable securities	(365)	—
Changes in operating assets and liabilities:		
Accounts receivable	(10,444)	(28,098)
Inventories	(6,150)	7,162
Prepays and other assets	403	110
Payables and other liabilities	3,327	12,802
Accrued income taxes	(4,922)	2,935
Net cash provided by operating activities	<u>29,583</u>	<u>38,813</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(40,158)	(27,441)
Investment in marketable securities	(2,000)	—
Acquisitions, net of cash acquired	(124,544)	(104,470)
Proceeds from sale of assets	5,762	518
Proceeds from sale of marketable securities	967	—
Net cash used in investing activities	<u>(159,973)</u>	<u>(131,393)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of dividends	—	(4,246)
Payment of capital leases	(382)	—
Proceeds from long-term borrowings	182,500	123,250
Repayments of long-term borrowings	(39,877)	(24,539)
Payment of deferred financing costs	(776)	(1,963)
Proceeds from exercise of stock options	1,061	302
Net cash provided by financing activities	<u>142,526</u>	<u>92,804</u>
Effect of foreign currency exchange rate fluctuations on cash	(520)	—

Net increase in cash and cash equivalents	11,616	224
Cash and cash equivalents at beginning of period	398	174
Cash and cash equivalents at end of period	<u>\$ 12,014</u>	<u>\$ 398</u>
Supplemental Cash Flow Information:		
Cash paid for interest	\$ 3,862	\$ 2,237
Cash paid for income taxes	\$ 7,995	\$ 7,111
Non-cash Investing and Financing Activities:		
Equipment acquired under capital lease	\$ 7,639	\$ —

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SHILOH INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollar amounts in thousands)

	Common Stock (\$.01 Par Value)	Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
November 1, 2012	\$ 169	\$ 65,120	\$ 73,425	\$ (31,311)	\$ 107,403
Net income	—	—	21,570	—	21,570
Other comprehensive income, net of tax	—	—	—	5,229	5,229
Payment of dividends	—	—	(4,246)	—	(4,246)
Exercise of stock options	1	301	—	—	302
Stock-based compensation cost	—	738	—	—	738
Tax benefit on stock options	—	153	—	—	153
October 31, 2013	<u>\$ 170</u>	<u>\$ 66,312</u>	<u>\$ 90,749</u>	<u>\$ (26,082)</u>	<u>\$ 131,149</u>
Net income	—	—	22,444	—	22,444
Other comprehensive income, net of tax	—	—	—	(10,799)	(10,799)
Exercise of stock options	2	1,059	—	—	1,061
Stock-based compensation cost	—	579	—	—	579
Tax benefit on stock options	—	85	—	—	85
October 31, 2014	<u>\$ 172</u>	<u>\$ 68,035</u>	<u>\$ 113,193</u>	<u>\$ (36,881)</u>	<u>\$ 144,519</u>

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