



Titan International, Inc. (TWI)

Expect Significant Revenue Growth In 3Q:21 On Rising Ag Wheel And Tire Demand In the Early Stages Of A Multi-Year Replacement Cycle; Maintain \$13 Price Target

	2020		2021E		2022E		2023E	
		OLD	NEW	OLD	NEW	OLD	NEW	
Mar.	(\$0.22)	\$0.07A		\$0.21	\$0.20		\$0.21	
June	(0.17)	0.22A		0.22	0.23		0.26	
Sep.	(0.10)	0.17		0.15			0.16	
Dec.	(0.10)	0.12		0.14			0.14	
EPS	(\$0.59)	\$0.58		\$0.71			\$0.77	
P/E				10.0x			9.2x	
EBITDA (mil)	\$58.0	\$124.3		\$138.1			\$143.3	
EV / EBITDA				6.3x			6.1x	

Note: EPS exclude one-time items in 2020-2021E of \$0.59 and \$0.11, respectively. EPS include annual stock-based compensation expense in \$0.04. Sum of quarterly EPS may not equal full-year total due to rounding and/or changes in share count. NC = Not covered by Sidoti & Company, LLC. NR = Not Rated. Risk Ratings: H = Highly risky; M = Moderately risky.

Year	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Rev.(Mil.)	\$1895.5	\$1394.8	\$1265.5	\$1468.9	\$1602.4	\$1448.7	\$1230.7	\$1674.2	\$1779.9	\$1830.0
GAAP EPS	(\$2.09)	(\$1.74)	(\$0.83)	(\$1.15)	\$0.00	(\$0.84)	(\$1.18)	\$0.47	\$0.76	\$0.81

Description: Titan International, Inc. (www.titan-intl.com) manufactures off-the-road (OTR) tires and wheels for agriculture (45% of revenue), earthmoving/construction (45%) and consumer (10%) equipment. Geographically, the U.S. makes up about 50% of 2020 revenue, Brazil is 15% and the rest of the world accounts for the remaining 35%. Headquarters are in Quincy, IL.

Release Date	Conference Call	Time (Eastern)	Contact	Co. Guidance	Consensus
November 4	November 4	9:00 AM	844-200-6205	N/A	\$0.17

- **Strong ag and construction order books lead to significant OE and aftermarket sales expansion through 2022, in our view.**
- **We project year-over-year revenue growth of 39% in 3Q:21 to \$424 million with EPS of \$0.17 (compared to the year-earlier \$0.10 loss).**
- **The company has raised aftermarket prices to offset rising steel and rubber costs, while management has successfully sought long-term agreements with certain OEs.**
- **While labor markets remain tight, Titan's workforce is up more than 16% this year to meet growing demand while production capacity is more than sufficient.**
- **We introduce our 2023 EPS estimate of \$0.77 based on sales growth of 3% and 10 basis points of operating margin expansion.**
- **We maintain our \$13 price target, based on about 8.5x our 2022 EBITDA estimate of \$138 million, in line with the five-year average forward multiple. The target equates to 18x our unchanged 2022 EPS estimate of \$0.71.**
- **We maintain our Highly Risk rating due to net debt of about \$391 million (about \$6.25 per share); however, in April, the company completed a refinancing out to 2028, providing a cushion. We model free cash flow per share of \$0.09 in 2021 due to investments in Brazilian production, growing to \$0.85 in 2022 and \$0.97 in 2023.**

We project strong growth in 3Q:21 driven by increasing demand for ag and construction tires and wheels. We model EBITDA improvement to \$32 million, up more than 161% from the year-earlier quarter, as customers attempt to refill depleted inventories in the typically seasonally slower 3Q. We note that order books for large tractor suppliers are stretching well into 2022, particularly as supply chain issues result in growing backlog. We expect ag demand to extend into 2023 as U.S. farms replace an aging fleet. While corn prices have pulled back to modestly above \$5 per bushel following USDA projections of the US harvest exceeding 15 billion bushels in 2021, making it the second largest annual crop on

NR

Price Target: \$13

Price: \$7.11

Risk Rating: H

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Key Statistics

Analysts Covering	2
Market Cap (Mil)	\$440
Enterprise Value	\$876
52-Week Range (NYSE)	12-3
5-Year EPS CAGR	NM
Avg. Daily Trading Volume	291,000
Shares Out (Mil)	62.347
Float Shares (Mil)	58.505
Insider Ownership	5%
Institutional Holdings	83%
Annualized Dividend	Nil
Dividend Yield	N/A
FCF Per Share (2023E)	\$0.97
FCF Yield (2023E)	13.6%
Net Cash Per Share (2023E)	(\$3.78)
Price to Book Value	2.4x
Return on Equity (2023E)	18.3%
Total Debt to Capital	74%
Interest Coverage Ratio	2.8x
Short Interest %	2.9%
Short Interest Days To Cover	6.4
Russell 2000	2,266
Russell 2000 – Last 12 Months	40.2%
TWI – Last 12 Months	127.2%



Source: FactSet Prices

record, prices remain \$1 above year-ago levels. At last month's *Sidoti Fall Virtual Investor Conference*, management also noted construction demand has improved through 2021. The potential eventual approval of the federal infrastructure spending plan could also propel increased spending in 2022-2023. Undercarriage sales should also benefit from high commodity prices, strengthening mining demand. Management has guided for EBITDA of \$120 million or more in 2021. We are monitoring the strike by Deere & Co. (NYSE: DE, NC) workers at 14 plants but would not expect any material impact to Titan unless the strike is extended over multiple weeks.

Price hikes help offset rising material prices. Higher steel and rubber prices can present challenges for a manufacturer of tires and wheels. However, Titan has successfully raised prices multiple times in the aftermarket with no slowdown in demand, according to management. The company has also negotiated long-term agreements with certain OEs, which will create greater revenue certainty and increase pricing flexibility to more closely align with shifts in materials costs. The company has added to its workforce to meet growing demand. Management indicates labor retention has been positive and anticipates fully trained crews will increase workflow and potentially result in higher margins next year. Production capacity remains more than ample despite higher demand.

We maintain our Highly Risky rating due to the balance sheet, but note the company completed a refinancing of its debt in April out to 2028, providing additional cushion. Titan generated \$0.58 in free cash flow per share in 2020, despite weaker end markets, due to reduced cap-ex and tight working capital management. In addition, non-core asset sales totaled about \$53 million, including about \$16 million for the sale of a former plant in Brownsville, Texas in 4Q:20. While cap-ex is expected to rise to \$35-40 million in 2021 from less than \$22 million in 2020, management still forecasts positive free cash flow for the year on improving operations. We model free cash flow per share of \$0.09 in 2021, rising to \$0.85 in 2022 and \$0.97 in 2023. We project net leverage falling to under 2x by the end of 2023 from about 4.3x currently, due primarily to increasing EBITDA.

Exhibit 1: Titan International Inc. Quarterly Estimate Table				
	<u>3Q:21 Estimate</u>	<u>3Q:20 Actual</u>	<u>Change</u>	<u>% Change</u>
Revenue (thou.)	\$424,367	\$304,772	\$119,595	39.2%
Agriculture	221,947	153,067	68,880	45.0%
Earthmoving/Construction	172,518	123,227	49,291	40.0%
Consumer	29,902	28,478	1,424	5.0%
Gross profit	57,112	31,317	25,795	82.4%
<i>Gross margin</i>	<i>13.5%</i>	<i>10.3%</i>		
Adjusted operating income	19,951	(1,808)	21,759	NM
<i>Operating margin</i>	<i>4.7%</i>	<i>-0.6%</i>		
Adjusted EBITDA	32,309	12,396	19,913	160.6%
<i>EBITDA margin</i>	<i>7.6%</i>	<i>4.1%</i>		
EPS	\$0.17	(\$0.10)	\$0.28	NM

Source: Sidoti & Co., and Company reports

Valuation	Our \$13 price target is based on about 8.5x our 2022 EBITDA estimate of \$138 million, which is in line with the five-year forward multiple for the stock. The price target equates to 18x our 2022 EPS estimate of \$0.71.		
Key Risks	Downturn in OTR heavy cap equipment market	Financial leverage and liquidity	Raw materials prices

TITAN INTERNATIONAL, INC.

Table 1. Titan International, Inc. Income Statement
(in millions, except where noted)

	MarA	JunA	SepA	DecA	2020	MarA	JunA	SepE	DecE	2021E	MarE	JunE	SepE	DecE	2022E	MarE	JunE	SepE	DecE	2023E
Net sales	\$341,500	\$286,133	\$304,772	\$326,908	\$1,259,313	\$403,518	\$438,639	\$424,367	\$407,672	\$1,674,196	\$445,668	\$466,544	\$441,883	\$425,821	\$1,779,916	\$458,137	\$479,694	\$454,382	\$437,825	\$1,830,039
Cost of goods sold	314,256	255,259	273,455	301,017	1,143,987	350,253	377,169	367,255	353,311	1,447,988	384,062	400,520	382,680	369,188	1,536,450	393,477	410,109	393,574	379,654	1,576,814
Gross profit	27,244	29,867	31,317	25,891	103,105	53,265	61,470	57,112	54,361	226,208	61,607	66,023	59,203	56,633	243,467	64,660	69,585	60,808	58,171	253,225
Adjusted gross profit	29,823	30,874	31,317	37,105	129,119	53,265	61,470	57,112	54,361	226,208	61,607	66,023	59,203	56,633	243,467	64,660	69,585	60,808	58,171	253,225
SG&A	31,957	28,441	33,451	37,093	130,942	34,028	32,566	31,856	31,199	129,649	33,290	34,075	33,263	32,051	132,679	34,285	35,112	34,271	33,019	136,687
R&D	2,410	2,132	2,240	2,231	9,013	2,553	2,528	2,546	2,446	10,073	2,674	2,799	2,651	2,555	10,679	2,749	2,878	2,726	2,627	10,980
Royalty expense	2,480	2,395	2,434	2,406	9,715	2,453	2,657	2,758	2,854	10,722	2,852	2,986	2,828	2,725	11,391	2,932	3,070	2,908	2,802	11,712
Operating profit	(9,603)	(3,101)	(6,808)	(15,839)	(46,565)	14,231	23,719	19,951	17,862	75,764	22,790	26,163	20,461	19,302	88,716	24,694	28,525	20,903	19,723	93,845
Operating profit (ex. one-time items)	(7,024)	(2,094)	(1,808)	(4,625)	(15,551)	14,231	23,719	19,951	17,862	75,764	22,790	26,163	20,461	19,302	88,716	24,694	28,525	20,903	19,723	93,845
Adjusted EBITDA	9,261	19,686	12,396	17,305	58,648	26,309	37,412	32,309	30,220	126,251	35,148	38,521	32,819	31,660	138,148	37,052	40,883	33,261	32,081	143,277
Interest expense	8,035	8,008	7,251	7,478	30,772	7,523	8,598	8,523	8,523	33,167	8,523	8,523	8,523	8,523	34,092	8,523	8,523	8,523	8,523	34,092
Other expenses (income)	9,806	(8,446)	(947)	(8,405)	(7,992)	(9,109)	15,556	(2,000)	(170)	4,277	(1,000)	(150)	(160)	(170)	(1,480)	0	0	0	0	0
Earnings before income taxes	(27,444)	(2,663)	(13,112)	(14,912)	(69,345)	15,817	(435)	13,428	9,510	38,320	15,267	17,790	12,098	10,949	56,104	16,171	20,002	12,380	11,200	59,754
Income taxes	55	1,980	342	4,569	6,946	2,594	1,991	2,200	2,200	8,985	2,300	2,300	2,300	2,300	9,200	2,300	2,300	2,300	2,300	9,200
Net income before minority interest	(27,499)	(4,643)	(13,454)	(19,481)	(76,291)	13,223	(2,426)	11,228	7,310	29,335	12,967	15,490	9,798	8,649	46,904	13,871	17,702	10,080	8,900	50,554
Minority interest	(2,013)	402	(811)	(2,267)	(4,689)	(351)	347	(400)	(400)	(804)	(351)	347	(400)	(400)	(804)	(351)	347	(400)	(400)	(804)
Net income before redemption value adjustment	(25,486)	(5,045)	(12,643)	(17,214)	(71,602)	13,574	(2,773)	11,628	7,710	30,139	13,318	15,143	10,198	9,049	47,708	14,222	17,355	10,480	9,300	51,358
Redemption value adjustment																				
Net income	(25,486)	(5,045)	(12,643)	(17,214)	(71,602)	13,574	(2,773)	11,628	7,710	30,139	13,318	15,143	10,198	9,049	47,708	14,222	17,355	10,480	9,300	51,358
Net income (ex. one-time items)	(\$13,180)	(\$10,470)	(\$6,307)	(\$5,855)	(\$71,602)	\$4,097	\$14,015	\$11,628	\$7,710	\$30,139	\$13,318	\$15,143	\$10,198	\$9,049	\$47,708	\$14,222	\$17,355	\$10,480	\$9,300	\$51,358
GAAP EPS	(\$0.42)	(\$0.08)	(\$0.21)	(\$0.28)	(\$1.18)	\$0.22	(\$0.04)	\$0.19	\$0.12	\$0.47	\$0.21	\$0.24	\$0.16	\$0.14	\$0.76	\$0.23	\$0.28	\$0.17	\$0.15	\$0.81
Diluted EPS	(\$0.22)	(\$0.17)	(\$0.10)	(\$0.10)	(\$0.59)	\$0.07	\$0.22	\$0.17	\$0.12	\$0.58	\$0.20	\$0.23	\$0.15	\$0.14	\$0.71	\$0.21	\$0.26	\$0.16	\$0.14	\$0.77
Diluted shares outstanding	60,360	60,602	60,926	61,376	60,816	62,414	62,568	62,631	62,693	62,576	62,756	62,819	62,881	62,944	62,850	63,007	63,070	63,133	63,197	63,102
YOY Growth:																				
Revenue	-16.8%	-26.7%	-11.9%	8.3%	-13.1%	18.2%	53.3%	39.2%	24.7%	32.9%	10.4%	6.4%	4.1%	4.5%	6.3%	2.8%	2.8%	2.8%	2.8%	2.8%
Cost of goods sold	-13.9%	-27.5%	-14.2%	6.2%	-13.3%	11.5%	47.8%	34.3%	17.4%	26.6%	9.7%	6.2%	4.2%	4.5%	6.1%	2.5%	2.4%	2.8%	2.8%	2.6%
Selling, general and administrative expenses	-11.0%	-20.4%	-4.3%	19.3%	-4.9%	6.5%	14.5%	-4.8%	-15.9%	-1.0%	-2.2%	4.6%	4.4%	2.7%	2.3%	3.0%	3.0%	3.0%	3.0%	3.0%
R&D	-7.9%	-16.2%	-3.0%	-6.6%	-8.6%	5.9%	18.6%	13.7%	9.6%	11.8%	4.7%	10.7%	4.1%	4.5%	6.0%	2.8%	2.8%	2.8%	2.8%	2.8%
Gross profit	-39.8%	-22.0%	15.6%	41.2%	-20.1%	95.5%	105.8%	82.4%	110.0%	119.4%	15.7%	7.4%	3.7%	4.2%	7.6%	5.0%	5.4%	2.7%	2.7%	4.0%
Adjusted gross profit	-34.1%	-19.4%	15.6%	102.4%	0.1%	78.6%	99.1%	82.4%	46.5%	75.2%	15.7%	7.4%	3.7%	4.2%	7.6%	5.0%	5.4%	2.7%	2.7%	4.0%
Adjusted EBITDA	-53.2%	54.1%	46.2%	-703.0%	53.6%	184.1%	90.0%	160.6%	74.6%	115.3%	33.6%	3.0%	1.6%	4.8%	9.4%	5.4%	6.1%	1.3%	1.3%	3.7%
Margins:																				
COGS/sales	92.0%	89.2%	89.7%	92.1%	90.8%	86.8%	86.0%	86.5%	86.7%	86.5%	86.2%	85.8%	86.6%	86.7%	86.3%	85.9%	85.5%	86.6%	86.7%	86.2%
SG&A/sales	9.4%	9.9%	11.0%	11.3%	10.4%	8.4%	7.4%	7.5%	7.7%	7.7%	7.5%	7.3%	7.5%	7.5%	7.5%	7.5%	7.3%	7.5%	7.5%	7.5%
R&D/sales	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Royalty expense/sales	0.7%	0.8%	0.8%	0.7%	0.8%	0.6%	0.6%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Gross profit	8.0%	10.4%	10.3%	7.9%	8.2%	13.2%	14.0%	13.5%	13.3%	13.5%	13.8%	14.2%	13.4%	13.3%	13.7%	14.1%	14.5%	13.4%	13.3%	13.8%
Adjusted gross margin	8.7%	10.8%	10.3%	11.4%	10.3%	13.2%	14.0%	13.5%	13.3%	13.5%	13.8%	14.2%	13.4%	13.3%	13.7%	14.1%	14.5%	13.4%	13.3%	13.8%
Operating profit	-2.8%	-1.1%	-2.2%	-4.8%	-3.7%	3.5%	5.4%	4.7%	4.4%	4.5%	5.1%	5.6%	4.6%	4.5%	5.0%	5.4%	5.9%	4.6%	4.5%	5.1%
Adjusted operating profit	-2.1%	-0.7%	-0.6%	-1.4%	-1.2%	3.5%	5.4%	4.7%	4.4%	4.5%	5.1%	5.6%	4.6%	4.5%	5.0%	5.4%	5.9%	4.6%	4.5%	5.1%
Adjusted EBITDA	2.7%	6.9%	4.1%	5.3%	4.7%	6.5%	8.5%	7.6%	7.4%	7.5%	7.9%	8.3%	7.4%	7.4%	7.8%	8.1%	8.5%	7.3%	7.3%	7.8%
Net income	-8.1%	-1.6%	-4.4%	-6.0%	-6.1%	3.3%	-0.6%	2.6%	1.8%	1.8%	2.9%	3.3%	2.2%	2.0%	2.6%	3.0%	3.7%	2.2%	2.0%	2.8%

Sources: Company reports and Sidoti & Company, LLC estimates.

TITAN INTERNATIONAL, INC.

Table 2. Titan International, Inc. Cash Flow Statement

(in thousands, except where noted)

	MarA	JunA	SepA	DecA	2020	MarA	JunA	SepE	2021E	2022E	2023E
Cash Flows From Operating Activities:											
Net income	\$ (27,499)	\$ (4,643)	\$ (13,454)	\$ (19,481)	\$ (65,077)	\$ 13,223	\$ (2,426)	\$ 11,228	\$ 29,335	\$ 46,904	\$ 50,554
Depreciation and amortization	13,785	13,334	13,257	14,279	54,655	12,560	12,358	12,358	49,634	49,432	49,432
Deferred income tax provision	(1,426)	(685)	(1,505)	609	(3,007)	(402)	600	-	198	-	-
Stock-based compensation	490	581	860	531	2,462	570	810	1,197	3,240	3,430	3,526
Other	13,914	(5,824)	2,000	-	10,090	(9,717)	17,078	-	7,361	-	-
Changes in working capital	4,708	(1,234)	40,772	13,860	58,106	(32,196)	(29,135)	(49,762)	(46,388)	(11,556)	(10,360)
Accounts receivable	(45,330)	22,947	(526)	7,673	(15,236)	(63,803)	(8,962)	(1,622)	(39,409)	(10,345)	(6,842)
Inventories	6,611	16,440	13,613	1,083	37,747	(27,313)	(25,767)	(11,129)	(33,879)	(10,261)	(9,483)
Prepaid expenses and other	(5,249)	3,602	1,712	1,176	1,241	(3,297)	(3,899)	-	(7,196)	-	-
Accounts payables	34,006	(45,574)	13,919	9,591	11,942	60,581	10,470	(37,011)	33,437	9,050	5,966
Other current liabilities	14,670	1,351	12,054	(5,663)	22,412	1,636	(977)	-	659	-	-
Total cash flows used in (provided by) operating activities	3,972	1,529	41,930	9,798	57,229	(15,962)	(1,525)	(24,978)	43,380	88,210	93,152
Cash Flows From Investing Activities:											
Capital expenditures	(6,420)	(1,982)	(4,948)	(8,330)	(21,680)	(8,861)	(5,776)	(11,000)	(37,637)	(34,800)	(32,000)
Acquisitions	-	-	-	-	-	-	-	-	-	-	-
Other	11,487	8,813	18,414	16,187	54,901	545	204	-	749	-	-
Total cash flows used in (provided by) investing activities	5,067	6,831	13,466	7,857	33,221	(8,316)	(5,572)	(11,000)	(36,888)	(34,800)	(32,000)
Cash Flows From Financing Activities:											
Proceeds from borrowing	23,949	52,849	9,193	5,648	91,639	21,881	438,048	-	459,929	-	-
Payment on debt	(31,940)	(42,071)	(42,590)	(9,792)	(126,393)	(12,398)	(400,602)	-	(413,000)	-	-
Dividends	(302)	(301)	-	-	(603)	-	-	-	-	-	-
Other	-	608	(3,331)	(485)	(3,208)	(2,409)	(33,671)	-	(36,080)	-	-
Total cash provided by (used in) financing activities	(8,293)	11,085	(36,728)	(4,629)	(38,565)	7,074	3,775	-	10,849	-	-
Effect of exchange rate changes on cash	(7,167)	337	(56)	5,633	(1,253)	(4,273)	3,172	-	(1,101)	-	-
Net increase in cash and cash equivalents	(6,421)	19,782	18,612	18,659	50,632	(21,477)	(150)	(35,978)	16,240	53,410	61,152
Cash and cash equivalents at beginning of period	66,799	60,378	80,160	98,772	66,799	117,431	95,954	95,804	117,431	133,671	187,081
Cash and cash equivalents at end of period	\$ 60,378	\$ 80,160	\$ 98,772	\$ 117,431	\$ 117,431	\$ 95,954	\$ 95,804	\$ 59,826	\$ 133,671	\$ 187,081	\$ 248,233
Free cash flow	\$ (2,448)	\$ (453)	\$ 36,982	\$ 1,468	\$ 35,549	\$ (24,823)	\$ (7,301)	\$(35,978)	\$ 5,743	\$ 53,410	\$ 61,152
Free cash flow per share	\$ (0.04)	\$ (0.01)	\$ 0.61	\$ 0.02	\$ 0.58	\$ (0.40)	\$ (0.12)	\$ (0.57)	\$ 0.09	\$ 0.85	\$ 0.97

Sources: Company reports and Sidoti & Company, LLC estimates.

TITAN INTERNATIONAL, INC.

Table 3. Titan International, Inc. Balance Sheet

(in thousands, except where noted)

	MarA	JunA	SepA	2020	MarA	JunA	SepE	2021E	2022E	2023E
ASSETS										
CURRENT ASSETS:										
Cash and cash equivalents	\$ 60,378	\$ 80,160	\$ 98,772	\$ 117,431	\$ 95,954	\$ 95,804	\$ 59,826	\$ 132,861	\$ 187,081	\$ 248,233
Receivables	211,982	192,410	192,764	193,104	249,904	265,729	267,351	232,373	242,718	249,560
Inventory	306,071	294,537	284,231	293,679	313,472	345,339	356,468	326,138	336,399	345,882
Prepaid expenses and other current assets	60,461	74,094	62,648	54,475	56,235	65,368	65,368	65,368	65,368	65,368
Total current assets	638,892	641,201	638,415	658,689	715,565	772,240	749,013	756,740	831,566	909,043
OTHER ASSETS:										
Property, plant and equipment	344,078	337,646	324,959	319,854	307,620	310,210	308,852	308,494	293,862	276,430
Deferred income taxes	-	605	1,040	2,591	2,186	2,780	2,780	2,780	2,780	2,780
Other assets	77,284	51,842	51,933	50,750	46,077	42,208	42,208	42,208	42,208	42,208
Total other assets	421,362	390,093	377,932	373,195	355,883	355,198	353,840	353,482	338,850	321,418
Total assets	\$ 1,060,254	\$ 1,031,294	\$ 1,016,347	\$ 1,031,884	\$ 1,071,448	\$ 1,127,438	\$ 1,102,853	\$ 1,110,222	\$ 1,170,416	\$ 1,230,461
LIABILITIES AND COMMON SHAREHOLDERS' INVESTMENT										
CURRENT LIABILITIES:										
Short-term debt	\$ 46,275	\$ 40,784	\$ 32,641	\$ 31,119	\$ 31,076	\$ 34,296	\$ 34,296	\$ 34,296	\$ 34,296	\$ 34,296
Accounts payables	179,933	136,802	150,879	167,210	221,613	239,001	201,990	201,387	210,437	216,403
Other current liabilities	115,744	120,985	131,734	131,382	129,557	140,316	140,316	140,316	140,316	140,316
Total current liabilities	341,952	298,571	315,254	329,711	382,246	413,613	376,602	375,999	385,049	391,015
LONG-TERM LIABILITIES:										
Long-term debt	444,550	462,240	431,789	433,584	440,576	452,730	452,730	452,730	452,730	452,730
Deferred income taxes	2,644	2,820	1,774	3,895	3,194	4,278	4,278	4,278	4,278	4,278
Other long-term liabilities	67,186	66,006	73,320	63,429	56,300	53,640	53,640	53,640	53,640	53,640
Total liabilities	856,332	829,637	822,137	830,619	882,316	924,261	887,250	886,647	895,697	901,663
Equity subject to redemption	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Total Titan stockholders' equity	179,139	175,373	169,838	179,264	167,131	181,550	193,976	201,948	253,091	307,171
Noncontrolling interests	(217)	1,284	(628)	(2,999)	(2,999)	(3,373)	(3,373)	(3,373)	(3,373)	(3,373)
Total equity	178,922	176,657	169,210	176,265	164,132	178,177	190,603	198,575	249,718	303,798
Total liabilities and equity	\$ 1,060,254	\$ 1,031,294	\$ 1,016,347	\$ 1,031,884	\$ 1,071,448	\$ 1,127,438	\$ 1,102,853	\$ 1,110,222	\$ 1,170,416	\$ 1,230,461
Net debt	\$ 430,447	\$ 422,864	\$ 365,658	\$ 347,272	\$ 375,698	\$ 391,222	\$ 427,200	\$ 354,165	\$ 299,945	\$ 238,793
Net debt per share	(\$7.13)	(\$6.98)	(\$6.00)	(\$5.66)	(\$6.02)	(\$6.25)	(\$6.82)	(\$5.65)	(\$4.77)	(\$3.78)
Net debt/EBITDA (ttm)	15.6	12.2	9.5	5.9	5.0	4.2	3.8	2.8	2.2	1.7
Interest coverage ratio	(1.1)	(1.1)	(1.0)	(0.8)	0.2	0.9	1.6	4.1	4.5	4.8
Tangible book value per share	\$ 2.96	\$ 2.92	\$ 2.78	\$ 2.90	\$ 2.63	\$ 2.85	\$ 3.04	\$ 3.17	\$ 3.97	\$ 4.81
Return on total assets	NM	NM	NM	NM	NM	NM	NM	NM	4.1%	4.2%
Return on total capital	NM	NM	NM	NM	NM	NM	NM	NM	6.8%	6.8%
Return on total equity	NM	NM	NM	NM	NM	NM	NM	NM	20.9%	18.3%
Debt-to-equity	274.3%	284.7%	274.5%	263.6%	287.4%	273.3%	255.5%	245.3%	195.0%	160.3%
Total debt-to-total capital	73.3%	74.0%	73.3%	72.5%	74.2%	73.2%	71.9%	71.0%	66.1%	61.6%
Long-term debt-to-total capital	66.4%	68.0%	68.1%	67.6%	69.3%	68.1%	66.8%	66.0%	61.5%	57.2%

Sources: Company reports and Sidoti & Company, LLC estimates.

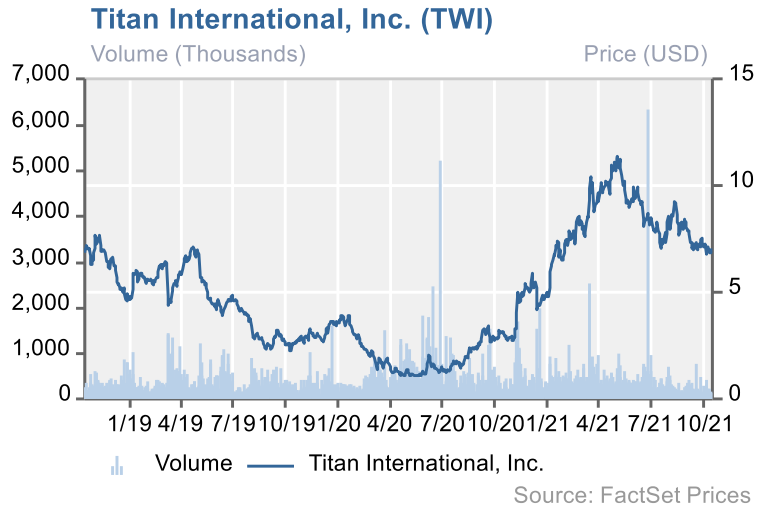
Appendix
Required Disclosures

Required Disclosures

Titan International, Inc. (TWI-\$7.11) NR Price Target: \$13 Risk Rating: H

Rating and Price Target History Table

Action	Date	Px	Rating	PT	Risk Rating
Initiation	4/21/20	1.2	NR	3	H
PT	11/5/20	3.4		4	
ACHG	11/5/20	3.4	NR	4	
PT	12/4/20	5.4		7	
PT	1/25/21	7		8	
PT	2/19/21	8		9	
PT	3/5/21	8.1		10	
PT	3/19/21	9.7		12	
PT	4/26/21	11		12	
PT	5/7/21	10.9		12	
PT	5/21/21	9.4		12	
PT	6/28/21	8.6		12	
PT	7/19/21	7.4		12	
PT	7/30/21	8.3		13	
PT	9/24/21	7.3		13	



Valuation	Our \$13 price target is based on about 8.5x our 2022 EBITDA estimate of \$138 million, which is in line with the five-year forward multiple for the stock. The price target equates to 18x our 2022 EPS estimate of \$0.71.		
Key Risks	Downturn in OTR heavy cap equipment market	Financial leverage and liquidity	Raw materials prices

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