



Titan International, Inc. (TWI)

Modestly Raise Estimates As We Anticipate Reduced Seasonality Given Ongoing Strong Demand, Healthy Order Book; Maintain \$13 Price Target

	2020		2021E		2022E		2023E	
		OLD	NEW	OLD	NEW	OLD	NEW	
Mar.	(\$0.22)	\$0.07A		\$0.20	\$0.17	\$0.21	\$0.20	
June	(0.17)	0.22A		0.23	0.21	0.26	0.23	
Sep.	(0.10)	0.17	0.17A	0.15	0.18	0.16	0.17	
Dec.	(0.10)	0.12	0.14	0.14	0.18	0.14	0.16	
EPS	(\$0.59)	\$0.58	\$0.60	\$0.71	\$0.75	\$0.77		
P/E					11.0x	10.7x		
EPS*								
EBITDA (mil)	\$58.0	\$124.3	\$131.9	\$138.1	\$142.4	\$143.3	\$144.5	
EV / EBITDA					6.6x		6.5x	

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. *EPS including amortization expense.

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	\$1734.4	\$1848.9	\$1854.8
GAAP EPS	(\$2.09)	(\$1.74)	(\$0.83)	(\$1.15)	\$0.00	(\$0.84)	(\$1.18)	\$0.49	\$0.79	\$0.82

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.

- We modestly raise our 2021-2022 EPS estimates to \$0.60 (from \$0.58) and \$0.75 (from \$0.71), respectively, as we expect reduced seasonality.
- Titan International reported 3Q:21 revenue of \$450 million, up 48% year over year, and topping our estimate by 6% due to ongoing strength in ag orders.
- EBITDA of \$35 million exceeded our projection by 9% and nearly tripled the year-earlier results on expanding margins despite higher material costs.
- The company has raised prices multiple times in the aftermarket to offset higher steel and rubber prices with no slowdown in demand.
- Titan has increased its workforce by 12% to meet rising demand and anticipates efficiencies in 2022 after training new staff this year.
- We would not expect the Deere & Company (NYSE: DE, NC) labor strike to impact Titan results, unless the work stoppage extended over several months.
- Historically revenue slows in the second half of the year on holidays and seasonal pauses, but the strong order book dictates year-round full production; we think this will continue into 2022 on a multi-year replacement cycle.
- We maintain our Highly Risk rating due to \$388 million in net debt at the end of 3Q:21, but note the company completed a refinancing earlier this year pushing maturities out to 2028, providing a cushion.
- We may reconsider our rating if free cash flow rises. Net leverage declined to 3.3x currently from 5.9x at year-end 2020 on increased EBITDA.
- We maintain our \$13 price target, based on about 8.5x our raised 2022 EBITDA estimate of \$142 million (previously \$138 million), in line with the five-year average forward multiple. The target equates to 17x our raised 2022 EPS estimate of \$0.75 (previously 18x our former estimate of \$0.71).

We modestly raise our 2021-2022 EPS estimates on a healthy order book amid high crop and commodity prices. Revenue grew sequentially in the typically slower third quarter, as low dealer inventories are driving year-round demand. Even as corn prices have

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Price Target: \$13

Price: \$8.24

Risk Rating: H

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Key Statistics

Analysts Covering	2
Market Cap (Mil)	\$510
Enterprise Value	\$945
52-Week Range (NYSE)	12-3
5-Year EPS CAGR	NM
Avg. Daily Trading Volume	263,000
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)	\$1.04
FCF Yield (2023E)	12.6%
Net Cash Per Share (2023E)	(\$4.31)
Price to Book Value	2.8x
Return on Equity (2023E)	19.2%
Total Debt to Capital	74%
Interest Coverage Ratio	2.8x
Short Interest %	3.1%
Short Interest Days To Cover	7.4
Russell 2000	2,402
Russell 2000 – Last 12 Months	48.7%
TWI – Last 12 Months	186.1%



Titan International, Inc.

Source: FactSet Prices

softened from spring highs, crop prices still remain elevated, supporting stronger farmer income. Latin American droughts would appear to support another healthy spring planting season. An aging U.S. tractor fleet appears to be entering a multi-year replacement cycle, as customer order books push well into 2022. We expect given healthy demand. The Deere labor strike will not impact Titan results unless it stretches over several months. High copper prices also continue to support spending on mining equipment while a federal infrastructure spending plan appears to be approaching the finish line, which could prop up construction equipment spending. Given expectations for reduced seasonality through 2022 (partially offset by higher tax expectations due to geographic mix), we raise our 2021-2022 EPS estimates to \$0.60 and \$0.75 (from \$0.58 and \$0.71). Following the strong 3Q:21 earnings, management raised 2021 EBITDA guidance by \$10 million to \$130 million or more.

EPS improved to \$0.17 in 3Q:21 from the year-earlier \$0.10 loss on 48% revenue growth. Ag sales improved almost 60% to \$244 million while Earthmoving/Construction was up 37%. Despite higher steel and rubber prices, gross margin widened 310 basis points to 13.4%. Titan has raised prices in the aftermarket to offset higher costs and reached long-term agreements with some OEMs to provide greater pricing flexibility. The workforce has expanded 12% to meet growing demand while Titan has ample production capacity.

We maintain our Highly Risky rating due to the balance sheet, but may reconsider the rating on signs of expanding cash flow. 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. As we model cap-ex rising to \$35 million in 2021 from less than \$22 million in 2020, we estimate free cash flow of \$0.09. We model free cash flow per share \$0.27 in 2022 and \$1.04 in 2023. We project net leverage will fall to under 2x by the end of 2023 from about 3.3x currently, due primarily to increasing EBITDA.

Exhibit 1: Titan International Inc. Quarterly Variance Table

	3Q:21 Actual	3Q:21 Estimate	Variance	% Variance	3Q:20 Actual	Change	% Change
Revenue (thou.)	\$450,382	\$424,367	\$26,015	6.1%	\$304,772	\$145,610	47.8%
Agriculture	244,373	221,947	22,426	10.1%	153,067	91,306	59.7%
Earthmoving/Construction	168,408	172,518	(4,110)	-2.4%	123,227	45,181	36.7%
Consumer	37,601	29,902	7,699	25.7%	28,478	9,123	32.0%
Gross profit	60,292	57,112	3,180	5.6%	31,317	28,975	92.5%
Gross margin	13.4%	13.5%			10.3%		
Adjusted operating income	22,900	19,951	2,949	14.8%	(1,808)	24,708	NM
Operating margin	5.1%	4.7%			-0.6%		
Adjusted EBITDA	35,129	32,309	2,820	8.7%	12,396	22,733	183.4%
EBITDA margin	7.8%	7.6%			4.1%		
EPS	\$0.17	\$0.17	(\$0.00)	-1.4%	(\$0.10)	\$0.28	NM

Source: Sidoti & Co., and Company reports

Valuation	Our \$13 price target is based on about 8.5x our raised 2022 EBITDA estimate of \$142 million (previously \$138 million), which in line with the five-year forward multiple for the stock. The price target equates to 17x our raised 2022 EPS estimate of \$0.75 (previously 18x our former 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	SepA	DecE	2021E	MarE	JunE	SepE	DecE	2022E	2023E
Net sales	\$341,500	\$286,133	\$304,772	\$326,908	\$1,259,313	\$403,518	\$438,639	\$450,382	\$441,823	\$1,734,362	\$449,514	\$475,133	\$465,735	\$458,497	\$1,848,878	\$1,854,885
Cost of goods sold	314,256	255,259	273,455	301,017	1,143,987	350,253	377,169	390,090	380,920	1,498,432	387,414	408,412	401,352	395,096	1,592,274	1,595,559
Gross profit	27,244	29,867	31,317	25,891	103,105	53,265	61,470	60,292	60,903	235,930	62,100	66,721	64,383	63,401	256,604	259,326
Adjusted gross profit	29,823	30,874	31,317	37,105	129,119	53,265	61,470	60,292	60,903	235,930	62,100	66,721	64,383	63,401	256,604	259,326
SG&A	31,957	28,441	33,451	37,093	130,942	34,028	32,566	32,217	33,507	132,318	33,415	34,505	34,805	34,249	136,974	137,552
R&D	2,410	2,132	2,240	2,231	9,013	2,553	2,528	2,370	2,651	10,102	2,697	2,851	2,794	2,751	11,093	11,129
Royalty expense	2,480	2,395	2,434	2,406	9,715	2,453	2,657	2,805	3,093	11,008	2,877	3,041	2,981	2,934	11,833	11,871
Operating profit	(9,603)	(3,101)	(6,808)	(15,839)	(46,565)	14,231	23,719	22,900	21,652	82,502	23,111	26,324	23,802	23,467	96,704	98,774
Operating profit (ex. one-time items)	(7,024)	(2,094)	(1,808)	(4,625)	(15,551)	14,231	23,719	22,900	21,652	82,502	23,111	26,324	23,802	23,467	96,704	98,774
Adjusted EBITDA	9,261	19,686	12,396	17,305	58,648	26,309	37,412	35,129	33,079	131,929	34,538	37,751	35,229	34,894	142,412	144,482
Interest expense	8,035	8,008	7,251	7,478	30,772	7,523	8,598	7,818	8,433	32,372	8,433	8,433	8,433	8,433	33,731	33,731
Other expenses (income)	9,806	(8,446)	(947)	(8,405)	(7,992)	(9,109)	15,556	(1,064)	(170)	5,213	(150)	(160)	(170)	(480)	0	0
Earnings before income taxes	(27,444)	(2,663)	(13,112)	(14,912)	(69,345)	15,817	(435)	16,146	13,389	44,917	14,678	18,041	15,530	15,204	63,453	65,043
Income taxes	55	1,980	342	4,569	6,946	2,594	1,991	5,342	4,400	14,327	3,600	3,600	3,600	3,600	14,400	14,400
Net income before minority interest	(27,499)	(4,643)	(13,454)	(19,481)	(76,291)	13,223	(2,426)	10,804	8,989	30,590	11,078	14,441	11,930	11,604	49,053	50,643
Minority interest	(2,013)	402	(811)	(2,267)	(4,689)	(351)	347	(383)	(400)	(787)	(351)	347	(383)	(400)	(787)	(787)
Net income before redemption value adjustment	(25,486)	(5,045)	(12,643)	(17,214)	(71,602)	13,574	(2,773)	11,187	9,389	31,377	11,429	14,094	12,313	12,004	49,840	51,430
Redemption value adjustment																
Net income	(25,486)	(5,045)	(12,643)	(17,214)	(71,602)	13,574	(2,773)	11,187	9,389	31,377	11,429	14,094	12,313	12,004	49,840	51,430
Net income (ex. one-time items)	(\$13,180)	(\$10,470)	(\$6,307)	(\$5,855)	(\$71,602)	\$4,097	\$14,015	\$10,771	\$9,389	\$31,377	\$11,429	\$14,094	\$12,313	\$12,004	\$49,840	\$51,430
GAAP EPS	(\$0.42)	(\$0.08)	(\$0.21)	(\$0.28)	(\$1.18)	\$0.22	(\$0.04)	\$0.18	\$0.14	\$0.49	\$0.18	\$0.22	\$0.20	\$0.19	\$0.79	\$0.82
Diluted EPS	(\$0.22)	(\$0.17)	(\$0.10)	(\$0.10)	(\$0.59)	\$0.07	\$0.22	\$0.17	\$0.14	\$0.60	\$0.17	\$0.21	\$0.18	\$0.18	\$0.75	\$0.77
Diluted shares outstanding	60,360	60,602	60,926	61,376	60,816	62,414	62,568	62,601	62,664	62,562	62,726	62,789	62,852	62,915	62,820	63,072
YOY Growth:																
Revenue	-16.8%	-26.7%	-11.9%	8.3%	-13.1%	18.2%	53.3%	47.8%	35.2%	37.7%	11.4%	8.3%	3.4%	3.8%	6.6%	0.3%
Cost of goods sold	-13.9%	-27.5%	-14.2%	6.2%	-13.3%	11.5%	47.8%	42.7%	26.5%	31.0%	10.6%	8.3%	2.9%	3.7%	6.3%	0.2%
Selling, general and administrative expenses	-11.0%	-20.4%	-4.3%	19.3%	-4.9%	6.5%	14.5%	-3.7%	-9.7%	1.1%	-1.8%	6.0%	8.0%	2.2%	3.5%	0.4%
R&D	-7.9%	-16.2%	-3.0%	-6.6%	-8.6%	5.9%	18.6%	5.8%	18.8%	12.1%	5.6%	12.8%	17.9%	3.8%	9.8%	0.3%
Gross profit	-39.8%	-22.0%	15.6%	41.2%	-20.1%	95.5%	105.8%	92.5%	135.2%	128.8%	16.6%	8.5%	6.8%	4.1%	8.8%	1.1%
Adjusted gross profit	-34.1%	-19.4%	15.6%	102.4%	0.1%	78.6%	99.1%	92.5%	64.1%	82.7%	16.6%	8.5%	6.8%	4.1%	8.8%	1.1%
Adjusted EBITDA	-53.2%	54.1%	46.2%	-703.0%	53.6%	184.1%	90.0%	183.4%	91.2%	125.0%	31.3%	0.9%	0.3%	5.5%	7.9%	1.5%
Margins:																
COGS/sales	92.0%	89.2%	89.7%	92.1%	90.8%	86.8%	86.0%	86.6%	86.2%	86.4%	86.2%	86.0%	86.2%	86.2%	86.1%	86.0%
SG&A/sales	9.4%	9.9%	11.0%	11.3%	10.4%	8.4%	7.4%	7.2%	7.6%	7.6%	7.4%	7.3%	7.5%	7.4%	7.4%	7.4%
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%
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%
Gross profit	8.0%	10.4%	10.3%	7.9%	8.2%	13.2%	14.0%	13.4%	13.8%	13.6%	13.8%	14.0%	13.8%	13.8%	13.9%	14.0%
Adjusted gross margin	8.7%	10.8%	10.3%	11.4%	10.3%	13.2%	14.0%	13.4%	13.8%	13.6%	13.8%	14.0%	13.8%	13.8%	13.9%	14.0%
Operating profit	-2.8%	-1.1%	-2.2%	-4.8%	-3.7%	3.5%	5.4%	5.1%	4.9%	4.8%	5.1%	5.5%	5.1%	5.1%	5.2%	5.3%
Adjusted operating profit	-2.1%	-0.7%	-0.6%	-1.4%	-1.2%	3.5%	5.4%	5.1%	4.9%	4.8%	5.1%	5.5%	5.1%	5.1%	5.2%	5.3%
Adjusted EBITDA	2.7%	6.9%	4.1%	5.3%	4.7%	6.5%	8.5%	7.8%	7.5%	7.6%	7.7%	7.9%	7.6%	7.7%	7.8%	7.8%
Net income	-8.1%	-1.6%	-4.4%	-6.0%	-6.1%	3.3%	-0.6%	2.4%	2.0%	1.8%	2.5%	3.0%	2.6%	2.5%	2.7%	2.7%

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	SepA	DecE	2021E	2022E	2023E
Cash Flows From Operating Activities:												
Net income	\$ (27,499)	\$ (4,643)	\$ (13,454)	\$ (19,481)	\$ (65,077)	\$ 13,223	\$ (2,426)	\$ 10,804	\$ 8,989	\$ 30,590	\$ 49,053	\$ 50,643
Depreciation and amortization	13,785	13,334	13,257	14,279	54,655	12,560	12,358	11,427	11,427	47,772	45,708	45,708
Deferred income tax provision	(1,426)	(685)	(1,505)	609	(3,007)	(402)	600	(941)		(743)	-	-
Stock-based compensation	490	581	860	531	2,462	570	810	649	718	2,747	2,928	2,940
Other	13,914	(5,824)	2,000		10,090	(9,717)	17,078	(2,106)		5,255	-	-
Changes in working capital	4,708	(1,234)	40,772	13,860	58,106	(32,196)	(29,135)	(4,636)	21,113	(44,854)	(38,825)	8,571
Total cash flows used in (provided by) operating activities	3,972	1,529	41,930	9,798	57,229	(15,962)	(1,525)	15,197	42,247	40,767	58,865	107,862
Cash Flows From Investing Activities:												
Capital expenditures	(6,420)	(1,982)	(4,948)	(8,330)	(21,680)	(8,861)	(5,776)	(9,613)	(11,000)	(35,250)	(42,000)	(42,000)
Acquisitions					-							
Other	11,487	8,813	18,414	16,187	54,901	545	204	390		1,139	-	-
Total cash flows used in (provided by) investing activities	5,067	6,831	13,466	7,857	33,221	(8,316)	(5,572)	(9,223)	(11,000)	(34,111)	(42,000)	(42,000)
Cash Flows From Financing Activities:												
Proceeds from borrowing	23,949	52,849	9,193	5,648	91,639	21,881	438,048	22,364		482,293	-	-
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)	(25,938)		(62,018)	-	-
Total cash provided by (used in) financing activities	(8,293)	11,085	(36,728)	(4,629)	(38,565)	7,074	3,775	(3,574)	-	7,275	-	-
Effect of exchange rate changes on cash	(7,167)	337	(56)	5,633	(1,253)	(4,273)	3,172	(3,564)		(4,665)	-	-
Net increase in cash and cash equivalents	(6,421)	19,782	18,612	18,659	50,632	(21,477)	(150)	(1,164)	31,247	9,266	16,865	65,862
Cash and cash equivalents at beginning of period	66,799	60,378	80,160	98,772	66,799	117,431	95,954	95,804	94,640	117,431	126,697	143,562
Cash and cash equivalents at end of period	\$ 60,378	\$ 80,160	\$ 98,772	\$ 117,431	\$ 117,431	\$ 95,954	\$ 95,804	\$ 94,640	\$ 125,887	\$ 126,697	\$ 143,562	\$ 209,424
Free cash flow	\$ (2,448)	\$ (453)	\$ 36,982	\$ 1,468	\$ 35,549	\$ (24,823)	\$ (7,301)	\$ 5,584	\$ 31,247	\$ 5,517	\$ 16,865	\$ 65,862
Free cash flow per share	\$ (0.04)	\$ (0.01)	\$ 0.61	\$ 0.02	\$ 0.58	\$ (0.40)	\$ (0.12)	\$ 0.09	\$ 0.50	\$ 0.09	\$ 0.27	\$ 1.04

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	SepA	2021E	2022E	2023E
ASSETS										
CURRENT ASSETS:										
Cash and cash equivalents	\$ 60,378	\$ 80,160	\$ 98,772	\$ 117,431	\$ 95,954	\$ 95,804	\$ 94,640	\$ 125,887	\$ 143,562	\$ 209,424
Receivables	211,982	192,410	192,764	193,104	249,904	265,729	261,447	251,839	261,343	255,899
Inventory	306,071	294,537	284,231	293,679	313,472	345,339	373,012	366,713	362,213	354,667
Prepaid expenses and other current assets	60,461	74,094	62,648	54,475	56,235	65,368	67,144	67,144	67,144	67,144
Total current assets	638,892	641,201	638,415	658,689	715,565	772,240	796,243	811,584	834,262	887,134
OTHER ASSETS:										
Property, plant and equipment	344,078	337,646	324,959	319,854	307,620	310,210	302,590	302,163	298,455	294,747
Deferred income taxes	-	605	1,040	2,591	2,186	2,780	2,502	2,502	2,502	2,502
Other assets	77,284	51,842	51,933	50,750	46,077	42,208	42,924	42,924	42,924	42,924
Total other assets	421,362	390,093	377,932	373,195	355,883	355,198	348,016	347,589	343,881	340,173
Total assets	\$ 1,060,254	\$ 1,031,294	\$ 1,016,347	\$ 1,031,884	\$ 1,071,448	\$ 1,127,438	\$ 1,144,259	\$ 1,159,173	\$ 1,178,143	\$ 1,227,307
LIABILITIES AND COMMON SHAREHOLDERS' INVESTMENT										
CURRENT LIABILITIES:										
Short-term debt	\$ 46,275	\$ 40,784	\$ 32,641	\$ 31,119	\$ 31,076	\$ 34,296	\$ 30,867	\$ 30,867	\$ 30,867	\$ 30,867
Accounts payables	179,933	136,802	150,879	167,210	221,613	239,001	253,819	259,026	225,205	220,785
Other current liabilities	115,744	120,985	131,734	131,382	129,557	140,316	152,226	152,226	152,226	152,226
Total current liabilities	341,952	298,571	315,254	329,711	382,246	413,613	436,912	442,119	408,298	403,878
LONG-TERM LIABILITIES:										
Long-term debt	444,550	462,240	431,789	433,584	440,576	452,730	450,999	450,999	450,999	450,999
Deferred income taxes	2,644	2,820	1,774	3,895	3,194	4,278	3,142	3,142	3,142	3,142
Other long-term liabilities	67,186	66,006	73,320	63,429	56,300	53,640	53,612	53,612	53,612	53,612
Total liabilities	856,332	829,637	822,137	830,619	882,316	924,261	944,665	949,872	916,051	911,631
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	177,916	187,623	240,414	293,997
Noncontrolling interests	(217)	1,284	(628)	(2,999)	(2,999)	(3,373)	(3,322)	(3,322)	(3,322)	(3,322)
Total equity	178,922	176,657	169,210	176,265	164,132	178,177	174,594	184,301	237,092	290,675
Total liabilities and equity	\$ 1,060,254	\$ 1,031,294	\$ 1,016,347	\$ 1,031,884	\$ 1,071,448	\$ 1,127,438	\$ 1,144,259	\$ 1,159,173	\$ 1,178,143	\$ 1,227,307
Net debt	\$ 430,447	\$ 422,864	\$ 365,658	\$ 347,272	\$ 375,698	\$ 391,222	\$ 387,226	\$ 355,979	\$ 338,304	\$ 272,442
Net debt per share	(\$7.13)	(\$6.98)	(\$6.00)	(\$5.66)	(\$6.02)	(\$6.25)	(\$6.19)	(\$5.68)	(\$5.38)	(\$4.31)
Net debt/EBITDA (ttm)	15.6	12.2	9.5	5.9	5.0	4.2	3.3	2.7	2.4	1.9
Interest coverage ratio	(1.1)	(1.1)	(1.0)	(0.8)	0.2	0.9	1.8	4.7	5.0	5.1
Tangible book value per share	\$ 2.96	\$ 2.92	\$ 2.78	\$ 2.90	\$ 2.63	\$ 2.85	\$ 2.79	\$ 2.95	\$ 3.77	\$ 4.61
Return on total assets	NM	NM	NM	NM	NM	NM	NM	NM	4.2%	4.2%
Return on total capital	NM	NM	NM	NM	NM	NM	NM	NM	7.2%	6.9%
Return on total equity	NM	NM	NM	NM	NM	NM	NM	NM	23.3%	19.2%
Debt-to-equity	274.3%	284.7%	274.5%	263.6%	287.4%	273.3%	276.0%	261.5%	203.2%	165.8%
Total debt-to-total capital	73.3%	74.0%	73.3%	72.5%	74.2%	73.2%	73.4%	72.3%	67.0%	62.4%
Long-term debt-to-total capital	66.4%	68.0%	68.1%	67.6%	69.3%	68.1%	68.7%	67.7%	62.7%	58.4%

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

TITAN INTERNATIONAL, INC.

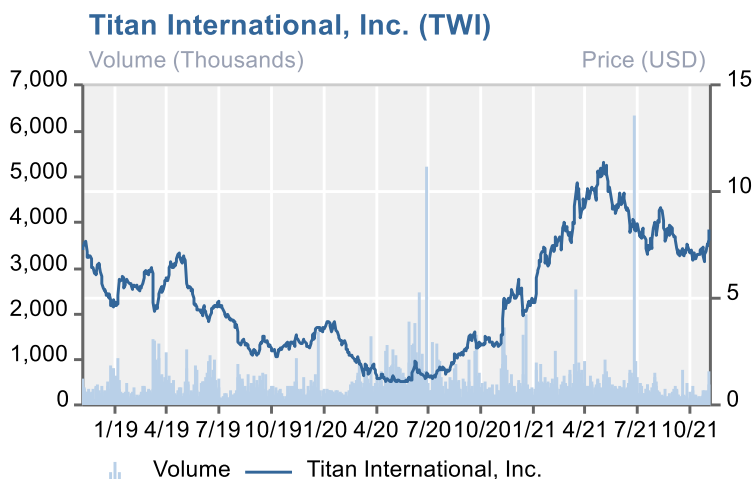
Appendix Required Disclosures

Required Disclosures

Titan International, Inc. (TWI-\$8.24) 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	
PT	10/18/21	7.1		13	



Valuation	Our \$13 price target is based on about 8.5x our raised 2022 EBITDA estimate of \$142 million (previously \$138 million), which in line with the five-year forward multiple for the stock. The price target equates to 17x our raised 2022 EPS estimate of \$0.75 (previously 18x our former estimate of \$0.71).		
Key Risks	Downturn in OTR heavy cap equipment market	Financial leverage and liquidity	Raw materials prices

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