

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 30, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-21964

SHILOH INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

51-0347683

(I.R.S. Employer
Identification No.)

880 Steel Drive, Valley City, Ohio 44280
(Address of principal executive offices—zip code)

(330) 558-2600
(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-accelerated Filer Smaller Reporting Company Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Securities registered pursuant to Section 12(b) of the Act:

Type	Trading symbol	Name of exchange on which registered
Common Stock	SHLO	The Nasdaq Stock Market

Number of shares of Common Stock outstanding as of June 7, 2019 was 23,761,465.

INDEX

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. <u>Condensed Consolidated Financial Statements (Unaudited)</u>	
<u>Condensed Consolidated Balance Sheets</u>	<u>3</u>
<u>Condensed Consolidated Statements of Operations</u>	<u>4</u>
<u>Condensed Consolidated Statements of Comprehensive Income (Loss)</u>	<u>5</u>
<u>Condensed Consolidated Statements of Cash Flows</u>	<u>6</u>
<u>Condensed Consolidated Statements of Stockholders' Equity</u>	<u>7</u>
<u>Notes to Condensed Consolidated Financial Statements</u>	<u>8</u>
<u>Forward-Looking Statements</u>	<u>27</u>
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>28</u>
Item 3. <u>Qualitative and Quantitative Disclosures About Market Risk</u>	<u>36</u>
Item 4. <u>Controls and Procedures</u>	<u>36</u>
<u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	<u>37</u>
Item 1A. <u>Risk Factors</u>	<u>37</u>
Item 5. <u>Other Information</u>	<u>38</u>
Item 6. <u>Exhibits</u>	<u>39</u>

PART I— FINANCIAL INFORMATION

Item 1. *Condensed Consolidated Financial Statements*

SHILOH INDUSTRIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollar amounts in thousands)

	April 30, 2019 (Unaudited)	October 31, 2018
ASSETS		
Cash and cash equivalents	\$ 17,660	\$ 16,843
Accounts receivable, net	192,125	209,733
Related party accounts receivable	2,306	996
Prepaid income taxes	1,898	1,391
Inventories, net	67,323	71,412
Prepaid expenses	10,083	10,478
Other current assets	8,838	22,124
Total current assets	<u>300,233</u>	<u>332,977</u>
Property, plant and equipment, net	329,359	316,176
Goodwill	27,421	27,376
Intangible assets, net	13,973	14,939
Deferred income taxes	5,734	5,665
Other assets	6,470	12,542
Total assets	<u>\$ 683,190</u>	<u>\$ 709,675</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current debt	\$ 484	\$ 1,327
Accounts payable	180,793	177,400
Other accrued expenses	39,405	63,031
Accrued income taxes	90	1,874
Total current liabilities	<u>220,772</u>	<u>243,632</u>
Long-term debt	247,597	245,351
Long-term benefit liabilities	15,677	15,553
Deferred income taxes	801	2,894
Other liabilities	3,190	2,723
Total liabilities	<u>488,037</u>	<u>510,153</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 per share; 5,000,000 shares authorized; no shares issued and outstanding at April 30, 2019 and October 31, 2018, respectively	—	—
Common stock, par value \$0.01 per share; 75,000,000 and 50,000,000 shares authorized at April 30, 2019 and October 31, 2018, respectively; 23,762,075 and 23,417,107 shares issued and outstanding at April 30, 2019 and October 31, 2018, respectively	238	234
Paid-in capital	115,391	114,405
Retained earnings	132,227	135,813
Accumulated other comprehensive loss, net	(52,703)	(50,930)
Total stockholders' equity	<u>195,153</u>	<u>199,522</u>
Total liabilities and stockholders' equity	<u>\$ 683,190</u>	<u>\$ 709,675</u>

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

SHILOH INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)
(Unaudited)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2019	2018	2019	2018
Net revenues	\$ 273,370	\$ 297,340	\$ 532,303	\$ 545,006
Cost of sales	244,691	265,837	489,933	485,613
Gross profit	28,679	31,503	42,370	59,393
Selling, general & administrative expenses	16,879	22,146	32,964	43,386
Amortization of intangible assets	519	595	1,040	1,160
Restructuring	4,460	1,483	7,466	2,997
Operating income	6,821	7,279	900	11,850
Interest expense	3,848	2,645	7,203	4,985
Interest income	(1)	(3)	(6)	(8)
Other (income) expense, net	414	394	(1,072)	830
Income (loss) before income taxes	2,560	4,243	(5,225)	6,043
Provision (benefit) for income taxes	1,448	218	(1,639)	(2,840)
Net income (loss)	\$ 1,112	\$ 4,025	\$ (3,586)	\$ 8,883
Income (loss) per share:				
Basic earnings (loss) per share	\$ 0.05	\$ 0.17	\$ (0.15)	\$ 0.38
Basic weighted average number of common shares	23,516	23,222	23,450	23,164
Diluted earnings (loss) per share	\$ 0.05	\$ 0.17	\$ (0.15)	\$ 0.38
Diluted weighted average number of common shares	23,559	23,357	23,450	23,311

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

SHILOH INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollar amounts in thousands)
(Unaudited)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2019	2018	2019	2018
Net income (loss)	\$ 1,112	\$ 4,025	\$ (3,586)	\$ 8,883
Other comprehensive income (loss)				
Defined benefit pension plans & other post-retirement benefits				
Amortization of net actuarial loss	288	328	576	656
Income tax provision	(66)	(75)	(132)	(182)
Total defined benefit pension plans & other post retirement benefits, net of tax	222	253	444	474
Marketable securities				
Unrealized loss on marketable securities	—	15	—	(129)
Income tax benefit (provision)	—	(3)	—	34
Realized income	—	—	18	—
Total marketable securities, net of tax	—	12	18	(95)
Derivatives and hedging				
Unrealized (loss) gain on interest rate swap agreements	(158)	294	(729)	1,160
Income tax benefit (provision)	26	(116)	137	(457)
Reclassification adjustments for settlement of derivatives included in net income	44	215	130	495
Change in fair value of derivative instruments, net of tax	(88)	393	(462)	1,198
Foreign currency translation adjustments				
Foreign currency translation gain (loss)	(4,478)	(7,902)	(1,773)	(119)
Unrealized gain (loss) on foreign currency translation	(4,478)	(7,902)	(1,773)	(119)
Comprehensive income (loss), net	<u>\$ (3,232)</u>	<u>\$ (3,219)</u>	<u>\$ (5,359)</u>	<u>\$ 10,341</u>

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

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

	Six Months Ended April 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (3,586)	\$ 8,883
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,358	21,414
Restructuring	1,272	581
Amortization of deferred financing costs	596	621
Deferred income taxes	(2,739)	(2,949)
Stock-based compensation expense	990	1,042
(Gain) loss on sale of assets	(4,156)	60
Loss on marketable securities	25	—
Changes in operating assets and liabilities:		
Accounts receivable, net	25,456	2,294
Inventories, net	7,196	1,287
Prepays and other assets	2,432	(4,445)
Payables and other liabilities	(33,669)	(7,286)
Prepaid and accrued income taxes	(4,419)	(1,442)
Net cash provided by operating activities	<u>12,756</u>	<u>20,060</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(33,248)	(23,772)
Acquisitions, net of cash required	—	(62,481)
Derivative settlements	5,855	—
Proceeds from sale of assets	12,339	70
Net cash used in investing activities	<u>(15,054)</u>	<u>(86,183)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of capital leases	(370)	(448)
Proceeds from long-term borrowings	140,700	174,900
Repayments of long-term borrowings	(138,200)	(100,161)
Payment of deferred financing costs	—	(103)
Proceeds from exercise of stock options	—	33
Net cash provided by financing activities	<u>2,130</u>	<u>74,221</u>
Effect of foreign currency exchange rate fluctuations on cash	985	779
Net increase in cash and cash equivalents	817	8,877
Cash and cash equivalents at beginning of period	16,843	8,736
Cash and cash equivalents at end of period	<u>\$ 17,660</u>	<u>\$ 17,613</u>

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

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

	Common Stock (.01 Par Value)	Paid-in- Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
January 31, 2018	\$ 233	\$ 112,865	\$ 122,834	\$ (33,535)	\$ 202,397
Net income	—	—	4,025	—	4,025
Other comprehensive income (loss), net of tax	—	—	—	(7,244)	(7,244)
Restricted stock and exercise of stock options	1	33	—	—	34
Stock-based compensation cost	—	526	—	—	526
April 30, 2018	\$ 234	\$ 113,424	\$ 126,859	\$ (40,779)	\$ 199,738
January 31, 2019	\$ 237	\$ 114,947	\$ 131,115	\$ (48,359)	\$ 197,940
Net income	—	—	1,112	—	1,112
Other comprehensive income (loss), net of tax	—	—	—	(4,344)	(4,344)
Restricted stock and exercise of stock options	1	(1)	—	—	—
Stock-based compensation cost	—	445	—	—	445
April 30, 2019	\$ 238	\$ 115,391	\$ 132,227	\$ (52,703)	\$ 195,153
October 31, 2017	\$ 231	\$ 112,351	\$ 117,976	\$ (42,237)	\$ 188,321
Net income	—	—	8,883	—	8,883
Other comprehensive income, net of tax	—	—	—	1,458	1,458
Restricted stock and exercise of stock options	3	31	—	—	34
Stock-based compensation cost	—	1,042	—	—	1,042
April 30, 2018	\$ 234	\$ 113,424	\$ 126,859	\$ (40,779)	\$ 199,738
October 31, 2018	\$ 234	\$ 114,405	\$ 135,813	\$ (50,930)	\$ 199,522
Net income (loss)	—	—	(3,586)	—	(3,586)
Other comprehensive income (loss), net of tax	—	—	—	(1,773)	(1,773)
Restricted stock and exercise of stock options	4	(4)	—	—	—
Stock-based compensation cost	—	990	—	—	990
April 30, 2019	\$ 238	\$ 115,391	\$ 132,227	\$ (52,703)	\$ 195,153

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

SHILOH INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts and number of shares in thousands except per share data)

Note 1—Basis of Presentation

The condensed consolidated financial statements have been prepared for Shiloh Industries, Inc. and its subsidiaries (collectively referred to as the "Company," "Shiloh Industries," "us," "our" or "we"), without audit, and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). The information furnished in the condensed consolidated financial statements includes normal recurring adjustments and reflects all adjustments, which are, in the opinion of management, necessary for a fair presentation of such financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been condensed or omitted pursuant to the rules and regulations of the SEC. Although we believe that the disclosures are adequate to make the information presented not misleading, these condensed consolidated financial statements should be read in conjunction with the audited financial statements and the notes thereto included in our Annual Report on Form 10-K for the fiscal year ended October 31, 2018.

Revenues and operating results for the three and six months ended April 30, 2019 are not necessarily indicative of the results to be expected for the full year.

SHILOH INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Note 2—Recent Accounting Standards

Recently Issued Accounting Standards:

Standard	Description	Effective Date	Effect on our financial statements and other significant matters
ASU 2016-13 <i>Measurement of Credit Losses on Financial Instruments</i>	The amendments change the impairment model for financial assets measured at amortized cost and available for sale equity securities. This new model will apply to instruments such as loans, held-to-maturity debt securities, loan commitments (including lines of credit), financial guarantees accounted for under ASC 460, net investments in leases, reinsurance and trade receivables. This model will result in an earlier recognition of allowances for losses through the establishment of an allowance account. The estimate of expected credit losses should consider historical and current information, and the reasonable and supportable forecasts of future events and circumstances, as well as estimates of prepayments.	November 1, 2020 with early adoption permitted.	We are in the process of evaluating the impact of adoption of this standard on our financial statements and disclosures.
ASU 2018-15 <i>Goodwill and Other-Internal-Use Software</i>	The amendments apply to the accounting for implementation, setup and other upfront costs (collectively referred to as implementation costs) for entities that are a customer in a hosting arrangement and align the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The amendments also require customers to expense capitalized implementation costs over the term of the hosting arrangement and in the same line on the income statement as the fees associated with the hosting service and payments for the capitalized implementation costs in the statement of cash flows in the same manner as payments made for fees associated with the hosting service.	November 1, 2020 with early adoption permitted.	We are in the process of evaluating the impact of adoption of this standard on our financial statements and disclosures.

SHILOH INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Standard	Description	Effective Date	Effect on our financial statements and other significant matters
ASU 2016-02 <i>Leases</i>	This amendment requires lessees to recognize a lease liability and a right-of-use asset on the balance sheet and aligns many of the underlying principles of the new lessor model with those in Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers. The standard requires a modified retrospective transition for capital and operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial adoption. In January 2018, the FASB issued an amendment to ASC Topic 842 which permits companies to elect an optional transition practical expedient to not evaluate existing land easements under the new standard if the land easements were not previously accounted for under existing lease guidance. In July 2018, the FASB issued ASU 2018-10, Codification Improvements to Topic 842 which clarifies certain areas within ASU 2016-02. ASU 2018-11 Targeted Improvements to Topic 842, Leases. This amendment provides entities with an additional (and optional) transition method to adopt the new leases standard. Under this new transition method, an entity initially applies the new leases standard at the adoption date and recognizes a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption.	November 1, 2019 with early adoption permitted.	We are in the process of evaluating the impact of adoption of this standard on our financial statements and disclosures. We are in the beginning stages of developing a project plan with key stakeholders throughout the organization and gathering and analyzing detailed information on existing lease arrangements. This includes evaluating the available practical expedients, calculating the lease asset and liability balances associated with individual contractual arrangements and assessing the disclosure requirements. In addition, we continue to monitor FASB amendments to ASC Topic 842.

Recently Adopted Accounting Standards:

Standard	Description	Adoption Date	Effect on our financial statements and other significant matters
ASU 2017-09 <i>Compensation - Stock Compensation (Topic 718)</i>	This amendment clarifies when a change to the terms or conditions of a share-based payment award must be accounted for as a modification. The new guidance requires modification accounting if the fair value, vesting condition or the classification of the award is not the same immediately before and after a change to the terms and conditions of the award. The amendment should be adopted on a prospective basis.	November 1, 2018	The adoption of this framework did not have a material impact on Shiloh's financial position, results of operations or financial statement disclosures. Shiloh's awards are rarely modified after grant.

SHILOH INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Standard	Description	Adoption Date	Effect on our financial statements and other significant matters
<p>ASU 2014-09 <i>Revenue from Contracts with Customers</i></p>	<p>The amendments require companies to recognize revenue when there is a transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods and services. The amendments should be applied on either a full or modified retrospective basis, which clarifies existing accounting literature relating to how and when a company recognizes revenue. The Financial Accounting Standards Board ("FASB"), through the issuance of Accounting Standards Updated ("ASU") No. 2015-14, "Revenue from Contracts with Customers," approved a one year delay of the effective date and permits two implementation approaches, one requiring retrospective application of the new standard with restatement of prior years and one requiring prospective application of the new standard with disclosure of results under old standards. During fiscal 2016, the FASB issued ASUs 2016-10, 2016-11 and 2016-12. Finally, ASU 2016-20 makes minor corrections or minor improvements to the Codification that are not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities.</p>	<p>November 1, 2018</p>	<p>Refer to Note 3.</p>
<p>ASU 2016-01 <i>Recognition and Measurement of Financial Assets and Financial Liabilities</i></p>	<p>This amendment addresses certain aspects of recognition, measurement, presentation and disclosure of financial instruments. Most prominent among the amendments is the requirement for changes in the fair value of the Company's equity investments, with certain exceptions, to be recognized through net income rather than other comprehensive income ("OCI"). The amendments should be applied by means of a cumulative-effect adjustment to the balance sheet in year of adoption.</p>	<p>November 1, 2018</p>	<p>The adoption of this framework did not have a material impact on Shiloh's financial position, results of operations or financial statement disclosures.</p>

SHILOH INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Standard	Description	Adoption Date	Effect on our financial statements and other significant matters
ASU 2018-09 <i>Codification Improvements</i>	These amendments provide clarifications and corrections to certain ASC subtopics including the following: Income Statement - Reporting Comprehensive Income – Overall (Topic 220-10), Debt - Modifications and Extinguishments (Topic 470-50), Distinguishing Liabilities from Equity – Overall (Topic 480-10), Compensation - Stock Compensation - Income Taxes (Topic 718-740), Business Combinations - Income Taxes (Topic 805-740), Derivatives and Hedging – Overall (Topic 815-10) and Fair Value Measurement – Overall (Topic 820-10).	The majority of the amendments will be effective November 1, 2019 while others were effective upon the issuance of the ASU.	Adoption of the clarifications and corrections in this ASU did not have a material impact on Shiloh's financial position, results of operations or financial statement disclosures.

Note 3—Revenue

On November 1, 2018, we adopted ASU 2014-09, ASC Topic 606, "*Revenue from Contracts with Customers*" using the modified retrospective transition method with no impact to previously reported periods and no adjustment to retained earnings as of November 1, 2018 as there was no impact to previously reported revenue or expenses associated with the adoption of ASC 606. The new guidance requires new disclosures regarding the nature, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The new standard recognizes revenue when a customer obtains control rather than when substantially all the risks and rewards of a good or service are transferred. The new guidance supersedes most existing revenue recognition guidance, including industry-specific guidance.

We manufacture and sell products, primarily to original equipment manufacturers ("OEMs") and to OEMs through Tier 1 suppliers. We enter into contracts with customers that create enforceable rights and obligations for the sale of those products. While certain production is provided under awarded multi-year programs, these programs do not contain any commitment to volume by the customer. Individual customer volume releases, blanket purchase orders, supply agreements, terms and conditions represent the contract with the customer. Volume releases are limited to near-term customer requirements generally with delivery periods within a few weeks. We do not have contract assets or liabilities as defined under ASC 606.

Each unit produced represents a separate performance obligation. Customer contracts do not provide an enforceable right to payment for performance completed throughout the production process. As such, product revenue is recognized at the point in time when shipment occurs and control has been transferred to the customer.

We participate in certain customers' materials repurchase programs, under which we purchase materials directly from a customer's designated supplier, for use in manufacturing products for that customer. We take delivery and title to such materials and bear the risk of loss and obsolescence. We invoice customers based upon negotiated selling prices, which inherently include a component for materials under such repurchase programs. We have risks and rewards of a principal, and as such, for transactions in which we participate in customers' materials resale programs, revenue is recognized on a gross basis for the entire amount, including the component for purchases under that customers' material resale programs.

We provide customers with standard warranties customary in the industry that products will operate as intended or designed, which are not separate performance obligations under ASC 606. We do not provide customers with the right to a refund, but provide for product replacement. Returns or refunds for nonconforming products are not separate performance obligations applicable to Shiloh's contract arrangements with customers.

SHILOH INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

We continue to include shipping and handling fees billed to customers in revenue, while including costs of shipping and handling in costs of sales as a fulfillment cost.

Taxes collected from customers are excluded from revenues and credited directly to obligations to the appropriate government agencies.

Payment terms with customers are established based on industry and regional practices and do not exceed 180 days.

Disaggregation of Net Revenues

Region:	Net Revenues			
	Three Months Ended April 30,		The Six Months Ended April 30,	
	2019	2018	2019	2018
North America	\$ 207,807	\$ 224,933	\$ 402,952	\$ 425,631
Europe & Asia	71,867	76,946	140,546	128,670
Eliminations	(6,304)	(4,539)	(11,195)	(9,295)
Total Company	\$ 273,370	\$ 297,340	\$ 532,303	\$ 545,006

Note 4—Acquisitions

On March 1, 2018, a subsidiary of the Company acquired all of the issued and outstanding capital of Brabant Alucast Italy Site Verres S.r.l., a limited liability company organized under the laws of Italy, and Brabant Alucast The Netherlands Site Oss B.V., a limited liability company organized under the laws of the Netherlands (collectively "Brabant"). The acquisitions were accounted for as business combinations under the acquisition method in accordance with the FASB ASC Topic 805, *Business Combinations*. The acquisitions complement Shiloh's global footprint with the expansion of aluminum and magnesium casting capabilities, while providing capacity for growth.

The aggregate fair value of consideration transferred was \$65,273 (\$62,514 net of cash acquired), on the date of the acquisitions. Assets acquired and liabilities assumed were recorded at their estimated fair values as of the acquisition date. The fair values of identifiable intangible assets were based on valuations using the income approach and estimates.

Note 5—Accounts Receivable, Net

Accounts receivable, net is expected to be collected within one year and is net of an allowance for doubtful accounts in the amount of \$866 and \$676 at April 30, 2019 and October 31, 2018, respectively. We recognized bad debt expense (benefit) of \$(3) and \$326 for the three and six months ended April 30, 2019, and recognized bad debt expense of \$166 and \$46 during the three and six months ended April 30, 2018, in the condensed consolidated statement of operations.

We continually monitor our exposure with our customers and additional consideration is given to individual accounts in light of the market conditions in the automotive and commercial vehicle markets.

As a part of our working capital management, we have entered into factoring agreements with third party financial institutions ("institutions") for the sale of certain accounts receivable with recourse. The activity under these agreements is accounted for as sales of accounts receivable under ASC Topic 860 "*Transfers and Servicing*." These agreements relate exclusively to the accounts receivable of certain Italian and Swedish customers. The amounts sold vary each month based on the amount of underlying receivables and cash flow requirements. In addition, the agreements address events and conditions which may obligate us to immediately repay the institutions the outstanding purchase price of the receivables sold.

The total amount of accounts receivable factored was \$11,883 and \$13,545 as of April 30, 2019 and October 31, 2018, respectively. As these sales of accounts receivable are with recourse, \$11,031 and \$11,742 were recorded in accounts payable as of April 30, 2019 and October 31, 2018, respectively. The cost of selling these receivables is dependent upon the number of days between the sale date of the receivables, the date the customer's invoice is due and the interest rate. The expense associated with

SHILOH INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

the sale of these receivables is recorded as a component of selling, general and administrative expense in the accompanying condensed consolidated statements of operations.

Note 6—Related Party Receivables

MTD Products Inc. and MTD Holdings LLC are affiliates of Oak Tree Holdings LLC, which is a greater than 5% beneficial owner of the Company's shares of Common Stock.

Sales to MTD Products Inc. and its affiliates were \$2,343 and \$4,202 for the three and six months ended April 30, 2019, respectively and \$2,224 and \$3,266 for the three and six months ended April 30, 2018, respectively. At April 30, 2019 and October 31, 2018, we had related party receivable balances of \$2,306 and \$996, respectively, due from MTD Products Inc. and its affiliates.

Note 7—Inventories, Net

Inventories, net consists of the following:

	April 30, 2019	October 31, 2018
Raw materials	\$ 28,963	\$ 28,457
Work in process	23,133	24,435
Finished goods	19,504	21,637
Reserves	\$ (4,277)	\$ (3,117)
Total inventories, net	<u>\$ 67,323</u>	<u>\$ 71,412</u>

Note 8 —Goodwill and Intangible Assets

Goodwill:

The changes in the carrying amount of goodwill for the six months ended April 30, 2019 are as follows:

Balance October 31, 2018	\$ 27,376
Foreign currency translation	45
Balance April 30, 2019	<u>\$ 27,421</u>

Intangible Assets

The changes in the carrying amount of finite-lived intangible assets for the six months ended April 30, 2019 are as follows:

	Customer Relationships	Developed Technology	Non-Compete	Trade Name	Trademark	Total
Balance October 31, 2018	\$ 10,311	\$ 3,404	\$ 15	\$ 1,131	\$ 78	\$ 14,939
Amortization expense	(666)	(198)	(8)	(62)	(8)	(942)
Foreign currency translation	(2)	(22)	—	—	—	(24)
Balance April 30, 2019	<u>\$ 9,643</u>	<u>\$ 3,184</u>	<u>\$ 7</u>	<u>\$ 1,069</u>	<u>\$ 70</u>	<u>\$ 13,973</u>

SHILOH INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Intangible assets are amortized on the straight-line method over their legal or estimated useful lives. The following summarizes the gross carrying value and accumulated amortization for each major class of intangible assets:

	April 30, 2019			
	Weighted Average Useful Life (years)	Gross Carrying Value Net of Foreign Currency	Accumulated Amortization	Net
Customer relationships	7.4	17,562	\$ (7,919)	\$ 9,643
Developed technology	9.3	7,143	(3,959)	3,184
Non-compete	0.4	824	(817)	7
Trade Name	8.7	1,875	(806)	1,069
Trademark	4.3	166	(96)	70
		\$ 27,570	\$ (13,597)	\$ 13,973

Total amortization expense was \$519 and \$1,040 for the three and six months ended April 30, 2019, respectively, and \$595 and \$1,160 for the three and six months ended April 30, 2018, respectively. A favorable lease asset of \$1,458 was acquired as part of the Brabant acquisitions in fiscal year 2018 with a 7 year useful life. Amortization expense for the three and six months ended April 30, 2019 was \$48 and \$98, respectively. A net balance of \$1,105 is included within other assets for the favorable lease asset. Amortization expense related to intangible assets and the favorable lease asset for the following fiscal years ending is estimated to be as follows:

Twelve Months Ended April 30,	
2020	\$ 2,066
2021	2,060
2022	2,060
2023	2,061
2024	2,045
Thereafter	4,786
	\$ 15,078

Note 9—Financing Arrangements

Debt consists of the following:

	April 30, 2019	October 31, 2018
Credit Agreement—interest rate of 5.44% at April 30, 2019 and 4.59% at October 31, 2018	\$ 245,800	\$ 243,300
Capital lease obligations	2,187	2,640
Insurance broker financing agreement	94	738
Total debt	248,081	246,678
Less: Current debt	484	1,327
Total long-term debt	\$ 247,597	\$ 245,351

At April 30, 2019, we had total debt, excluding capital leases, of \$245,894, consisting of a revolving line of credit under the Credit Agreement of floating rate debt of \$245,800, and fixed rate debt of \$94. The weighted average interest rate of all debt was 5.42% and 4.03% for the six months ended April 30, 2019 and 2018, respectively.

SHILOH INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Revolving Credit Facility:

The Company and its subsidiaries are party to a Credit Agreement, dated October 25, 2013, as amended (the "Credit Agreement") with Bank of America, N.A., as Administrative Agent, Swing Line Lender, Dutch Swing Line Lender and L/C Issuer, JPMorgan Chase Bank, N.A. as Syndication Agent, Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities, LLC as Joint Lead Arrangers and Joint Book Managers, The PrivateBank and Trust Company, Compass Bank and The Huntington National Bank, N.A., as Co-Documentation Agents and the other lender parties thereto.

On October 31, 2017, we executed the Eighth Amendment to the Credit Agreement which, among other things, provides for an aggregate availability of \$350,000, \$275,000 of which is available to the Company through the Tranche A Facility and \$75,000 of which is available to the Dutch borrower through the Tranche B Facility, and eliminated the scheduled reductions in such availability; increases the aggregate amount of incremental commitment increased allowed under the Credit Agreement to up to \$150,000 subject to our pro forma compliance with financial covenants, the Administrative Agent's approval and the Company obtaining commitments for any such increase. The Amendment extended the commitment period to October 31, 2022.

On July 31, 2017, we executed the Seventh Amendment which modifies investments in subsidiaries and various cumulative financial covenant thresholds, in each case, under the Credit Agreement. The Amendment also enhances our ability to take advantage of customer supply chain finance programs.

On October 28, 2016, we executed the Sixth Amendment which increased the permitted consolidated leverage ratio for periods beginning after July 31, 2016; increases the permitted consolidated fixed charge coverage ratio for periods beginning after April 30, 2017, modifies various baskets related to sale of accounts receivable, disposition of assets, sale-leaseback transactions, and makes other ministerial updates.

On October 30, 2015, we executed the Fifth Amendment which increased the permitted leverage ratio with periodic reductions beginning after July 30, 2016. In addition, the Amendment permitted various investments as well as up to \$40,000 aggregate outstanding principal amount of subordinated indebtedness, subject to certain conditions. Finally, the Amendment provided for a consolidated fixed charge coverage ratio, and provided for up to \$50,000 of capital expenditures by the Company and our subsidiaries throughout the year ending October 31, 2016, subject to certain quarterly baskets.

On April 29, 2015, we executed the Fourth Amendment to the Credit Agreement that maintained the commitment period of September 29, 2019 and allowed for an incremental increase of \$25,000 (or if certain ratios are met, \$100,000) to the original revolving commitments of \$360,000, subject to our pro forma compliance with financial covenants, the administrative agent's approval, and the Company obtaining commitments for such increase.

The Fourth Amendment included scheduled commitment reductions beginning after January 30, 2016 totaling \$30,000, allocated proportionately between the Aggregate Revolving A and B commitments. On April 30, 2016, the first committed reduction of \$5,000 decreased the existing revolving commitment to \$355,000, subject to our pro forma compliance with financial covenants.

Borrowings under the Credit Agreement bear interest, at our option, at LIBOR or the base (or "prime") rate established from time to time by the administrative agent, in each case plus an applicable margin. The Fifth Amendment provided for an interest rate margin on LIBOR loans of 1.5% to 3.0% and of 0.5% to 2.0% on base rate loans depending on the Company's leverage ratio.

The Credit Agreement contains customary restrictive and financial covenants, including covenants regarding our outstanding indebtedness and maximum leverage and interest coverage ratios. The Credit Agreement leverage ratio (inclusive of the Eighth Amendment) increases in restriction until maturity. At April 30, 2019, the maximum ratio is 3.75 to 1.0. The Credit Agreement also contains standard provisions relating to conditions of borrowing. In addition, the Credit Agreement contains customary events of default, including the non-payment of obligations by the Company and the bankruptcy of the Company. If an event of default occurs, all amounts outstanding under the Credit Agreement may be accelerated and become immediately due and payable. We were in compliance with the financial covenants under the Credit Agreement as of April 30, 2019 and October 31, 2018.

After considering letters of credit of \$6,206 that we have issued, unused commitments under the Credit Agreement were \$97,994 as of April 30, 2019. Actual borrowing capacity is subject to Credit Agreement covenants.

SHILOH INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Borrowings under the Credit Agreement are collateralized by a first priority security interest in substantially all of the tangible and intangible property of the Company and our domestic subsidiaries and 66% of the stock of our foreign subsidiaries.

Other Debt:

On August 1, 2018, we entered into a finance agreement with an insurance broker for various insurance policies that bears interest at a fixed rate of 2.55% and requires monthly payments of \$94 through May 2019. As of April 30, 2019, \$94 of principal remained outstanding under this agreement and was classified as current debt in our condensed consolidated balance sheets.

We maintain capital leases for equipment used in our manufacturing facilities with lease terms expiring between 2019 and 2020. As of April 30, 2019, the present value of minimum lease payments under our capital leases amounted to \$2,187.

Scheduled repayments of debt for the next five years are listed below:

Twelve Months Ending April 30,	Credit Agreement	Capital Lease Obligations	Other Debt	Total
2020	\$ —	\$ 390	\$ 94	\$ 484
2021	—	1,797	—	1,797
2022	—	—	—	—
2023	245,800	—	—	245,800
2024	—	—	—	—
Total	<u>\$ 245,800</u>	<u>\$ 2,187</u>	<u>\$ 94</u>	<u>\$ 248,081</u>

Note 10—Pension and Other Post-Retirement Benefit Matters

U.S Plans

The components of net periodic benefit cost for the three and six months ended April 30, 2019 and 2018 are as follows:

	Pension Benefits		Other Post-Retirement Benefits	
	Three Months Ended April 30,		Three Months Ended April 30,	
	2019	2018	2019	2018
Interest cost	\$ 841	\$ 792	\$ 3	\$ 2
Expected return on plan assets	(835)	(840)		—
Amortization of net actuarial loss	286	328	2	2
Net periodic cost	<u>\$ 292</u>	<u>\$ 280</u>	<u>\$ 5</u>	<u>\$ 4</u>

	Pension Benefits		Other Post-Retirement Benefits	
	Six Months Ended April 30,		Six Months Ended April 30,	
	2019	2018	2019	2018
Interest cost	\$ 1,682	\$ 1,584	\$ 6	\$ 5
Expected return on plan assets	(1,670)	(1,680)		—
Amortization of net actuarial loss	573	656	3	4
Net periodic cost	<u>\$ 585</u>	<u>\$ 560</u>	<u>\$ 9</u>	<u>\$ 9</u>

SHILOH INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

We were not required to and therefore did not contribute to our U.S. pension plans during the three and six months ended April 30, 2019 and 2018. We expect to contribute at least \$1,620 to our U.S. pension plans in fiscal 2019.

We report the service cost component of the net periodic pension and post-retirement costs in the same caption as other compensation costs arising from services rendered. The other components of net period costs are presented outside of operating income in other (income) expense, net.

Non-U.S. Plans

For our Swedish operations, the majority of the pension obligations are covered by insurance policies with insurance companies. Pension commitments in our Polish operations were \$1,182 at April 30, 2019 and \$1,081 at October 31, 2018. The liability represents the present value of future obligations and is calculated on an actuarial basis. The Polish operations recognized expense of \$97 and \$183 for the three and six months ended April 30, 2019 and \$54 and \$111 for the three and six months ended April 30, 2018, respectively.

The insurance contracts guarantee a minimum rate of return. We have no input into the investment strategy of the assets underlying the contracts, but they are typically heavily invested in active bond markets and are highly regulated by local law.

Note 11—Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss in stockholders' equity by component for the three months ended April 30, 2019 is as follows:

	Pension and Post Retirement Plan Liability (1)	Marketable Securities Adjustment	Interest Rate Swap Adjustment (2)	Foreign Currency Translation Adjustment (3)	Accumulated Other Comprehensive Loss
Balance at January 31, 2019	\$ (28,915)	\$ —	\$ (270)	\$ (19,174)	\$ (48,359)
Other comprehensive income (loss), net of tax	222	—	(132)	(4,478)	(4,388)
Amounts reclassified from accumulated other comprehensive loss			44	—	44
Net current-period other comprehensive income (loss)	222	—	(88)	(4,478)	(4,344)
Balance at April 30, 2019	\$ (28,693)	\$ —	\$ (358)	\$ (23,652)	\$ (52,703)

(1) Amounts reclassified from accumulated other comprehensive loss, net of tax are classified with other expense included on the statements of operations.

(2) Amounts reclassified from accumulated other comprehensive income loss, net of tax are classified with interest expense included on the statements of operations.

(3) The net investment derivative instrument is recognized in accumulated other comprehensive loss and reclassified to income in the same period when a gain or loss related to that net investment in foreign operation is included in income.

SHILOH INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Changes in accumulated other comprehensive loss in stockholders' equity by component for the six months ended April 30, 2019 is as follows:

	Pension and Post Retirement Plan Liability (1)	Marketable Securities Adjustment	Interest Rate Swap Adjustment (2)	Foreign Currency Translation Adjustment (3)	Accumulated Other Comprehensive Loss
Balance at October 31, 2018	\$ (29,137)	\$ (18)	\$ 104	\$ (21,879)	\$ (50,930)
Other comprehensive income (loss), net of tax	444	18	(592)	(1,773)	(1,903)
Amounts reclassified from accumulated other comprehensive loss, net of tax	—	—	130	—	130
Net current-period other comprehensive income (loss)	444	18	(462)	(1,773)	(1,773)
Balance at April 30, 2019	\$ (28,693)	\$ —	\$ (358)	\$ (23,652)	\$ (52,703)

(1) Amounts reclassified from accumulated other comprehensive loss, net of tax are classified with other expense included on the statements of operations.

(2) Amounts reclassified from accumulated other comprehensive income loss, net of tax are classified with interest expense included on the statements of operations.

(3) The net investment derivative instrument is recognized in accumulated other comprehensive loss and reclassified to income in the same period when a gain or loss related to that net investment in foreign operation is included in income.

Note 12—Derivatives and Financial Instruments

Shiloh is exposed to, among other risks, the impact of changes in commodity prices, foreign currency exchange rates, and interest rates in the normal course of business. Shiloh's financial risk management program is designed to manage the exposure and volatility arising from these risks and utilizes derivative financial instruments to offset a portion of these risks. We do not enter into derivative financial instruments for trading or speculative purposes. On an on-going basis, we monitor counterparty credit ratings. We consider credit non-performance risk to be low because we enter into agreements with commercial institutions that have investment grade credit rating.

On March 1, 2018, we entered into a cross-currency swap in which we would settle interest on the notional amount in Euros and settle interest on the notional amount in dollars, both at a variable rate. The objective of the transaction was to protect the initial net investment in Brabant against adverse changes in the exchange rate between the U.S. dollar and the Euro. Hedge effectiveness was assessed based upon changes in the spot foreign exchange rate. As such, the change in value of the cross-currency interest rate swap related to the change in spot rates was perfectly effective at offsetting changes in cumulative translation adjustment related to the portion of our net investment in Brabant up to the notional amount of the cross-currency interest rate swap.

Under the cross-currency interest rate swap, we received €53,000 on which we would settle interest at the 1-month Euribor rate, and we lent to the counterparty \$64,930 on which we would settle interest at the 1-month LIBOR rate. Interest payments were made at the end of every month. The notional amounts in the respective currencies exchanged at the beginning of the cross-currency interest rate swap period were to be repaid at the end of the cross-currency interest rate swap period. The initial maturity of the cross-currency interest rate swap was October 31, 2022. In the second quarter of fiscal 2019, the cross-currency interest rate swap was discontinued and settled in cash for \$5,110. The cash value at settlement was driven by changes in foreign currency exchange rates and debt markets from inception to settlement. There was no impact to net income upon settlement.

On February 25, 2014, we entered into an interest rate swap with an aggregate notional amount of \$75,000 designated as a cash flow hedge to manage interest rate exposure on our floating rate LIBOR based debt under the Credit Agreement. The interest rate swap is an agreement to exchange payment streams based on the notional principal amount. This agreement fixes our future interest rate at 2.74% plus the applicable margin as provided in the Fifth Amendment discussed in Note 9 - Financing Arrangements, on an amount of our debt principal equal to the then-outstanding swap notional amount. The forward interest rate swap commenced on March 1, 2015 with an initial \$25,000 base notional amount. The second notional amount of \$25,000 commenced on September 1, 2015 and the final notional amount of \$25,000 commenced on March 1, 2016. The base notional amount plus each incremental addition to the base notional amount has a five year maturity of February 29, 2020, August 31, 2020 and February 28, 2021, respectively. On the date the interest swap was entered into, we designated the interest rate swap as a hedge of the variability of cash flows to be paid relative to our variable rate monies borrowed. Any ineffectiveness in the hedging relationship is recognized immediately into earnings.

SHILOH INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Our derivatives at April 30, 2019 consist of interest rate swap contracts, all of which are over-the-counter and not traded through an exchange. The Company uses widely accepted valuation tools to determine fair value, such as discounting cash flows to calculate a present value for the derivatives. The models use Level 2 inputs, such as forward curves and other commonly quoted observable transactions and prices. The fair value of our derivatives and hedging instruments are all classified as Level 2 investments within the three-tier hierarchy.

The following table discloses the fair value and balance sheet location of our derivative instruments:

	Asset (Liability) Derivatives		
	Balance Sheet Location	April 30, 2019	October 31, 2018
Net Investment Hedging Instruments:			
Cross-currency interest rate swap contract	Other assets	\$ —	\$ 4,432
Cash Flow Hedging Instruments:			
Interest rate swap contracts	(Other liabilities) Other assets	\$ (465)	\$ 135

As a result of the hedging relationships being highly effective, the net interest payments accrued each period are reflected in net income (loss) as adjustments of interest expense, and the remaining change in the fair value of the derivatives is recognized in accumulated other comprehensive loss ("AOCI").

Derivative activity is included in interest expense and cash paid for interest. The following table presents the effect of our derivative instruments on the condensed consolidated statements of operations and the effects of hedging on those line items:

Location	Three Months Ended April 30, 2019	Three Months Ended April 30, 2018
Interest expense	\$ 3,848	\$ 2,645
Effect of hedging on interest expense	\$ (247)	\$ 21

Location	Six Months Ended April 30, 2019	Six Months Ended April 30, 2018
Interest expense	\$ 7,203	\$ 4,985
Effect of hedging on interest expense	\$ (615)	\$ 301

Note 13—Stock Incentive Compensation

Stock Incentive Compensation requires us to expense share-based payment awards granted. Compensation cost for share-based payments transactions are measured at fair value. For stock options, we use the simplified method of calculating the expected term and historical volatility to compute fair value under the Black-Scholes option-pricing model. The risk-free rate for periods within the contractual life of the option is based on the U.S. zero coupon Treasury yield in effect at the time of grant. New restricted stock and restricted stock unit grants are valued at the closing market price of our common stock on the date of grant. We do not estimate a forfeiture rate at the time of grant. Instead, we recognize share-based compensation expense when actual forfeitures occur.

SHILOH INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

2019 Equity and Incentive Compensation Plan

Long-Term / Annual Incentives

On February 26, 2019, stockholders approved and adopted the 2019 Equity and Incentive Compensation Plan ("2019 Plan" or "Incentive Plan") which replaced the 2016 Equity and Incentive Compensation Plan. The 2019 Plan authorizes the Compensation Committee of the Board of Directors of the Company to grant to officers and other key employees, including directors, of the Company and our subsidiaries (i) option rights, (ii) appreciation rights, (iii) restricted shares, (iv) restricted stock units, (v) cash incentive awards, performance shares and performance units and (vi) other awards. An aggregate of 1,500,000 shares of Common Stock, subject to adjustment upon occurrence of certain events to prevent dilution or expansion of the rights of participants that might otherwise result from the occurrence of such events, was reserved for issuance pursuant to the Incentive Plan. An individual's award of options and / or appreciation rights is limited to 500,000 shares during any calendar year. Also, an individual's award of restricted shares, restricted share units and performance based awards is limited to 350,000 shares during any calendar year.

The following table summarizes the Company's Incentive Plan activity for the six months ended April 30, 2019 and 2018:

	Stock Options			Restricted Stock			Restricted Stock Units		
	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Restricted Shares	Grant Fair Value	Weighted Average Remaining Contractual Life	Restricted Share Units	Grant Fair Value	Weighted Average Remaining Contractual Life
Outstanding at:									
November 1, 2017	58	\$8.16	2.53	441	\$7.07	1.60	36	\$7.69	1.82
Granted	—	—		268	8.06		18	7.90	
Options exercised or restricted stock vested	(11)	2.98		(183)	7.69		(15)	8.30	
Forfeited or expired	—	—		(8)	7.89		(11)	5.96	
April 30, 2018	47	\$9.37	2.32	518	\$7.35	1.98	28	\$8.14	1.93
November 1, 2018	33	\$9.42	1.84	478	\$7.45	1.87	27	\$8.17	1.37
Granted	—	—		370	6.86		31	6.71	
Options exercised or restricted stock vested	—	—		(223)	6.79		(14)	7.98	
Forfeited or expired	—	—		(39)	7.27		(3)	7.35	
April 30, 2019	33	\$9.42	1.34	586	\$7.34	2.08	41	\$7.15	1.89

We recorded stock compensation expense related to stock options, restricted stock and restricted stock units during the three and six months ended April 30, 2019 and 2018 as follows:

	Three Months Ended April 30,		Six Months Ended April 30,	
	2019	2018	2019	2018
Restricted stock	\$ 408	\$ 497	\$ 917	\$ 977
Restricted stock units	37	29	73	65
Total	\$ 445	\$ 526	\$ 990	\$ 1,042

Stock Options - The exercise price of each stock option equals the market price of our common stock on the grant date. Compensation expense is recorded at the grant date fair value, adjusted for forfeitures as they occur, and is recognized over the applicable vesting periods. Our stock options generally vest over three years, with a maximum term of ten years. Incentive stock options were not granted during the six months ended April 30, 2019 and 2018.

SHILOH INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

During the six months ended April 30, 2019 and 2018, stock options were not exercised. Options that have an exercise price greater than the market price are excluded from the intrinsic value computation. At April 30, 2019 and October 31, 2018, the options outstanding and exercisable had an intrinsic value of \$4 and \$42, respectively.

Restricted Stock Awards - New restricted stock grants are valued at the closing market price of our common stock on the grant date. Compensation expense is recorded at the grant date fair value, adjusted for forfeitures as they occur and is recognized over the applicable vesting periods. The vesting periods range between one to three years. As of April 30, 2019, there was \$3,370 of unrecognized compensation expense related to non-vested restricted stock that is expected to be recognized over the next three fiscal years.

Restricted Stock Units - New restricted stock unit grants are valued at the closing market price of our common stock on the grant date. Compensation expense is recorded at the grant date fair value, adjusted for forfeitures as they occur and is recognized over the applicable vesting periods. The vesting periods range between one to three years. As of April 30, 2019, there was \$246 of unrecognized compensation expense related to these restricted stock units that is expected to be recognized over the applicable vesting periods.

Note 14—Fair Value of Financial Instruments

The methods that we use may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while we believe our valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets and liabilities remeasured and disclosed at fair value on a recurring basis at April 30, 2019 and October 31, 2018 are set forth in the table below:

	Asset (Liability)	Level 1	Level 2	Valuation Technique
October 31, 2018				
Cross-Currency Interest Rate Swap	\$ 4,432	—	\$ 4,432	Income Approach
Interest Rate Swap Contracts	135	—	135	Income Approach
Marketable Securities	21	21	—	Market Approach
April 30, 2019				
Interest Rate Swap Contracts	\$ (465)	—	\$ (465)	Income Approach
Marketable Securities	18	18	—	Market Approach

We calculate the fair value of our cross-currency and interest rate swap contracts using quoted interest rate curves to calculate forward values and then discount the forward values.

The discount rates for all derivative contracts are based on quoted swap interest rates or bank deposit rates. For contracts which, when aggregated by counterparty, are in a liability position, the rates are adjusted by the credit spread that market participants would apply if buying these contracts from our counterparties.

We calculate the fair value of our marketable securities by using the closing stock price on the last business day of the quarter.

SHILOH INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Note 15—Restructuring Charges

During the fourth quarter of fiscal 2017, management initiated restructuring activities to reshape Shiloh's global footprint to be flexible to market conditions. Activities included actions such as consolidating manufacturing facilities, making geographical shifts to place production closer to customer facilities, centralizing departments, optimizing our product portfolio and capturing synergies. Management believes these strategic moves will result in a stronger and more agile organization.

During the three and six months ended April 30, 2019, respectively, we incurred \$4,460 and \$7,466 related to employee, professional, legal and other restructuring related costs. We have incurred restructuring expenses of \$18,856 since initiating the restructuring activities.

Global restructuring initiatives have continued to evolve and expand across the organization. We expect to incur additional restructuring costs over and beyond the next twelve months to execute planned restructuring initiatives. Costs of planned restructuring actions will primarily include employee costs and professional fees to execute initiatives. Future restructuring actions will depend upon market conditions, customer actions and other factors.

The following table presents information about restructuring costs recorded for the three and six months ended April 30, 2019:

	Three Months Ended April 30,		Six Months Ended April 30,	
	2019	2018	2019	2018
Employee costs	\$ 877	\$ 968	\$ 1,430	\$ 1,579
Professional and legal costs	2,919	281	4,161	1,112
Other	664	234	1,875	306
	\$ 4,460	\$ 1,483	\$ 7,466	\$ 2,997

The following table presents a rollforward of the beginning and ending liability balances related to the restructuring costs which are included in the condensed consolidated balance sheets in other accrued expenses for the above-mentioned actions through April 30, 2019:

	Balance as of October 31, 2018	Restructuring Expense	Payments	Balance as of April 30, 2019
Employee costs	\$ 367	1,430	1,543	\$ 254
Professional and legal costs	248	4,161	\$ 2,776	1,633
Other	—	1,875	\$ 1,875	—
	\$ 615	\$ 7,466	\$ 6,194	\$ 1,887

Note 16—Income Taxes

The provision for income taxes for the three months ended April 30, 2019 was an expense of \$1,448 on income before taxes of \$2,560 for a consolidated effective tax rate of 56.6%. The provision for income taxes for the six months ended April 30, 2019 was a benefit of \$1,639 on loss before income taxes of \$5,225 for a consolidated effective tax rate of 31.4%. The year-to-date benefit was calculated using the year-to-date loss, considering non-taxable and non-deductible items expected to be incurred for the full year multiplied by the statutory rate. This methodology is required by ASC 740, *Income Taxes*, as the use of an estimated annual effective rate would not be reliable.

The provision for income taxes for the three months ended April 30, 2018 was an expense of \$218 on income before income taxes of \$4,243 for a consolidated effective tax rate of 5.1%. The provision for income taxes for the six months ended April 30, 2018 was \$2,840 on income before taxes of \$6,043 for a consolidated effective tax rate of 47.0%.

SHILOH INDUSTRIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

The U.S. Internal Revenue Service has proposed disallowances of the majority of fiscal year 2012 and fiscal year 2013 U.S. R&D credits claimed. We are disputing this tax credit matter and intend to vigorously defend our position. We believe the ultimate resolution of the matters will not materially impact our results of operations, financial position or cash flows. With any tax controversy and litigation, there is, however, a chance of unforeseen loss which due to the number of years involved could materially impact our results, financial position and cash flows. For open tax years through fiscal year 2019, the total amounts related to the unreserved portion of the tax contingency, inclusive of any related interest, amounts to approximately \$8,500, of which the majority has been assessed by management as being remote as to the likelihood of ultimately resulting in a loss to the Company. We routinely assess tax matters as to the probability of incurring a loss and record our best estimate of the ultimate loss in situations where we assess the likelihood of an ultimate loss as probable.

Note 17—Earnings Per Share

Basic earnings per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of shares of Common Stock outstanding during the period. In addition, the shares of Common Stock issuable pursuant to restricted stock awards, restricted stock units and stock options outstanding under the 2019 Plan are included in the diluted earnings per share calculation to the extent they are dilutive. For the six months ended April 30, 2019 and 2018, 108 and 308 stock awards, respectively, were excluded from the computation of diluted earnings per share because their inclusion would be anti-dilutive. The following is a reconciliation of the numerator and denominator of the basic and diluted earnings per share computation for net income (loss) per share:

	Three Months Ended April 30,		Six Months Ended April 30,	
	2019	2018	2019	2018
Net income (loss) available to common stockholders	\$ 1,112	\$ 4,025	\$ (3,586)	\$ 8,883
Basic weighted average shares	23,516	23,222	23,450	23,164
Effect of dilutive securities:				
Restricted stock, units and stock options (1)	43	135	—	147
Diluted weighted average shares	23,559	23,357	23,450	23,311
Basic income (loss) per share	\$ 0.05	\$ 0.17	\$ (0.15)	\$ 0.38
Diluted income (loss) per share	\$ 0.05	\$ 0.17	\$ (0.15)	\$ 0.38

(1) Due to a loss for the six months ended April 30, 2019, no restricted stock, restricted stock units or stock options are included because the effect would be anti-dilutive.

Note 18—Business Segment Information

We conduct our business and report our information as one operating segment and, therefore, disclose one reportable segment - Automotive and Commercial Vehicles. Our chief operating decision maker is the executive leadership team, which includes certain Vice Presidents, all Senior Vice Presidents and the Chief Executive Officer. This team has the final authority over performance assessment and resource allocation decisions. In determining that one operating segment is appropriate, we considered the nature of the business activities and the existence of managers responsible for the operating activities. Customers and suppliers are substantially the same in the automotive and commercial vehicle industry.

Foreign net revenues (those outside the United States before eliminations) were \$84,464 or 30.9% and \$162,755 or 30.6% of net revenues for the three and six months ended April 30, 2019, respectively, and \$86,681 or 29.2% and \$147,644 or 27.1% for the three and six months ended April 30, 2018, respectively. Foreign net revenues, and geographic regions quantified in the table below, are based upon the location of the entity recording the sale.

SHILOH INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Geographic Region:	Net Revenues		Net Revenues	
	Three Months Ended April 30		Six Months Ended April 30	
	2019	2018	2019	2018
North America	\$ 207,807	\$ 224,933	\$ 402,952	\$ 425,631
Europe & Asia	71,867	76,946	140,546	128,670
Eliminations	(6,304)	(4,539)	(11,195)	(9,295)
Total Company	\$ 273,370	\$ 297,340	532,303	\$ 545,006

The foreign currency gain (loss) is included as a component of other expense, net in the condensed consolidated statements of operations.

Geographic Region:	Foreign Currency Gain (Loss)		Foreign Currency Gain (Loss)	
	Three Months Ended April 30,		Six months ended April 30,	
	2019	2018	2019	2018
North America	\$ (27)	\$ (43)	\$ 211	\$ (31)
Europe & Asia	\$ (7)	\$ (115)	\$ (6)	\$ (243)

Long-lived assets consist primarily of net property, plant and equipment, goodwill and intangibles.

Geographic Region:	Long-Lived Assets	
	April 30, 2019	October 31, 2018
North America	\$ 267,787	\$ 253,711
Europe & Asia	102,966	104,780
Total Company	\$ 370,753	\$ 358,491

Note 19—Commitments and Contingencies

From time to time, we are involved in legal proceedings, claims or investigations that are incidental to the conduct of our business. We vigorously defend ourselves against such claims. In future periods, we could be subject to cash costs or non-cash charges to earnings if a matter is resolved on unfavorable terms. However, although the ultimate outcome of any legal matter cannot be predicted with certainty, based on current information, including assessment of the merits of the particular claims, we do not expect that our legal proceedings or claims will have a material impact on our future consolidated financial position, results of operations or cash flows.

Note 20—Subsequent Events

Shiloh Industries, Inc. and Shiloh Holdings Netherlands B.V., *a besloten vennootschap met beperkte aansprakelijkheid* organized under the laws of the Netherlands (the "Dutch Borrower"), as the borrowers, and certain domestic subsidiaries of the Company, as the guarantors, entered into an amendment, dated June 6, 2019 (the "Amendment"), with respect to the Company's existing Credit Agreement (as so amended, the "Credit Agreement"), with the lenders part thereto and Bank of America, N.A. as administrative agent, swing line lender and an L/C issuer. The Amendment amends the Credit Agreement, which was originally entered into on October 25, 2013 and previously amended as of December 30, 2013, June 26, 2014, September 29, 2014, April 29, 2015, October 15, 2015, October 28, 2016, July 31, 2017 and October 31, 2017.

The Amendment, among other things, modifies certain of the thresholds for the consolidated leverage ratio, adjusts the interest rate margins based on the applicable pricing tiers, and modifies various baskets related to the indebtedness of foreign subsidiaries, disposition of assets, capital expenditures and certain sale leaseback transactions, in each case under the Credit Agreement. The Amendment does not modify the aggregate revolving commitments under the Credit Agreement.

Certain of the lenders under the Credit Agreement and their affiliates have provided from time to time, and may continue to provide, investment banking, commercial banking, financial and other services to us which we have paid and intend to pay customary fee and expense reimbursements.

The foregoing is a summary of the material terms and conditions of the Amendment and not a complete description of the Amendment. Accordingly, the foregoing is qualified in its entirety by reference to the Amendment, attached hereto as Exhibit 10.2, and incorporated herein by reference.

FORWARD-LOOKING STATEMENTS

Certain statements made by Shiloh Industries set forth in this Quarterly Report on Form 10-Q regarding our operating performance, events or developments that we believe or expect to occur in the future, including those that discuss strategies, goals, outlook or other non-historical matters, or which relate to future sales, earnings expectations, cost savings, awarded sales, volume growth, earnings or general belief in our expectations of future operating results are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995.

The forward-looking statements are made on the basis of management's assumptions and expectations. As a result, there can be no guarantee or assurance that these assumptions and expectations will in fact occur. The forward-looking statements are subject to risks and uncertainties that may cause actual results to materially differ from those contained in the statements.

Listed below are some of the factors that could potentially cause actual results to differ materially from expected future results.

- our ability to accomplish our strategic objectives;
- our ability to derive a substantial portion of our sales from large customers;
- our ability to obtain future sales;
- changes in worldwide economic and political conditions, including adverse effects from terrorism or related hostilities;
- costs related to legal and administrative matters;
- our ability to realize cost savings expected to offset price concessions;
- our ability to successfully integrate acquired businesses, including businesses located outside of the United States;
- risks associated with doing business internationally, including economic, political and social instability, foreign currency exposure and the lack of acceptance of our products;
- inefficiencies related to production and product launches that are greater than anticipated;
- changes in technology and technological risks;
- work stoppages and strikes at our facilities and that of our customers or suppliers;
- our dependence on the automotive and heavy truck industries, which are highly cyclical;
- the dependence of the automotive industry on consumer spending, which is subject to the impact of domestic and international economic conditions affecting car and light truck production;
- regulations and policies regarding international trade;
- financial and business downturns of our customers or vendors, including any production cutbacks or bankruptcies;
- increases in the price of, or limitations on the availability of aluminum, magnesium or steel, our primary raw materials, or decreases in the price of scrap steel;
- the successful launch and consumer acceptance of new vehicles for which we supply parts;
- the impact on financial statements of any known or unknown accounting errors or irregularities; and the magnitude of any adjustments in restated financial statements of our operating results;
- the occurrence of any event or condition that may be deemed a material adverse effect under our outstanding indebtedness or a decrease in customer demand which could cause a covenant default under our outstanding indebtedness;
- pension plan funding requirements; and
- other factors besides those listed here could also materially affect our business.

See "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended October 31, 2018 and "Part II, Item 1A. Risk Factors" in this Quarterly Report on Form 10-Q for a more complete discussion of these risks and uncertainties. Any or all of these risks and uncertainties could cause actual results to differ materially from those reflected in the forward-looking statements. These forward-looking statements reflect management's analysis only as of the date of this Quarterly Report on Form 10-Q.

We undertake no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of filing this Quarterly Report on Form 10-Q. In addition to the disclosures contained herein, readers should carefully review risks and uncertainties contained in other documents we file from time to time with the SEC.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
(Dollars in thousands, except per share data)

General

Shiloh Industries, Inc. is a global innovative solutions provider to the automotive and commercial vehicle market with a strategic focus on designing, engineering and manufacturing lightweight technologies that improve performance and benefit the environment. We offer a broad portfolio of lightweighting solutions in the industry through our BlankLight®, CastLight® and StampLight® brands and are uniquely qualified to supply product solutions utilizing multiple lightweighting solutions. This includes combining castings and stampings or innovative, multi-material products in aluminum, magnesium, steel and steel alloys. We design and manufacture components in body, chassis, interior structures and powertrain systems with expertise in precision blanks, ShilohCore® acoustic laminates, aluminum and steel laser welded blanks, complex stampings, modular assemblies, aluminum and magnesium die casting, as well as precision machined components. We have approximately 4,000 dedicated employees with operations, sales and technical centers throughout Asia, Europe and North America.

Recent Trends and General Economic Conditions Affecting the Automotive Industry

Our business and operating results are directly affected by the relative strength of the North American and European automotive industries, which are driven by factors that continue to be critical to our success including winning new business awards, managing our overall global manufacturing footprint to ensure proper placement and workforce levels in line with business needs, maintaining competitive wages and benefits, maximizing efficiencies in manufacturing processes and reducing overall costs. In addition, our ability to adapt to key industry trends, such as shifts in consumer preferences to other vehicles in response to higher fuel costs and other economic and social factors, increasing technologically sophisticated content, increasing environmental standards and extended product life of automotive parts, also play a critical role in our success. Other factors that are critical to our success include changes in raw material costs, negotiation of price increases and cost reduction initiatives. In addition, recent trade actions initiated by the U.S. imposing tariffs on imports have been met with retaliatory tariffs by other countries, adding a level of tension and uncertainty to the global economic environment. These and other actions are likely to impact trade policies with other countries and the overall global economy. We are carefully monitoring capacity and availability of the alloys utilized in our production process. The automotive industry remains susceptible to these factors that impact consumer spending habits and could adversely impact consumer demand for vehicles.

We operate in an extremely competitive industry, driven by global vehicle production volumes. Business is typically awarded to the supplier offering the most favorable combination of cost, quality, technology and service. Customers continue to demand periodic cost reductions that require us to assess, redefine and improve operations, products, and manufacturing capabilities to maintain and improve profitability. Our management continues to develop and execute initiatives designed to meet challenges of the industry and to achieve our strategy for sustainable global profitable growth.

We continue to adapt our capacity to meet customer demand, both expanding capabilities in growth areas as well as reallocating capacity between manufacturing facilities as needs arise. We employ new technologies to differentiate our products from our competitors and to achieve higher quality and productivity. We believe that we have sufficient capacity to meet current and expected manufacturing needs.

Our products are included in many models of vehicles manufactured by nearly all OEMs that produce vehicles in Europe and North America. Our revenues are dependent upon the production of automobiles and light trucks in both Europe and North America. According to industry statistics, Europe and North America production volumes for the three months and six months ended April 30, 2019 and 2018 were as follows:

Production Volumes	Three Months Ended April 30,		Six Months Ended April 30,	
	2019	2018	2019	2018
	(Number of Vehicles in Thousands)		(Number of Vehicles in Thousands)	
Europe	5,602	5,959	10,802	11,616
North America	4,296	4,457	8,238	8,412
Total	9,898	10,416	19,040	20,028
<i>Europe:</i>				
Decrease from prior year	(357)		(814)	
% Decrease from prior year	(6.0)%		(7.0)%	
<i>North America</i>				
Decrease from prior year	(161)		(174)	
% Decrease from prior year	(3.6)%		(2.1)%	
<i>Total</i>				
Decrease from prior year	(518)		(988)	
% Decrease from prior year	(5.0)%		(4.9)%	

Europe:

Uncertainty remains in the economic environment in Europe due to a number of factors, resulting in a decrease in year over year vehicle production. Implementation of fuel consumption and emissions standards such as the Worldwide Harmonized Light Vehicle Test Procedure ("WLTP") have caused disruption in the European automotive market requiring manufacturers to shift production to comply. The United Kingdom's consideration to withdraw from the European Union has also had an effect on the economy of the remaining European Union countries, as no trade deal has been signed. The European economy is showing signs of a slowdown with manufacturing slumping, especially with the end of Quantitative Easing by the European Central Bank. The end of the program, which was used to stimulate the economy and increase liquidity, will primarily affect Southern Europe. The European automotive market outlook has declined with this uncertainty.

North America:

Overall economic conditions in North America have been relatively favorable with improving employment levels and strong consumer confidence levels. Annual vehicle production volumes have declined slightly year over year, though remain consistently over 16 million vehicles aided by continued low fuel prices.

We expect the current North American economic climate to continue for the remainder of the year and into 2020, albeit there is some uncertainty surrounding the potential effects of trade policies, restrictions and practices being implemented or considered by the United States government. Increasing interest rates, high levels of consumer debt and declining used car prices are also developments that could constrict future demand for new vehicles.

Most of our steel is purchased through customers' steel buying programs. Under these programs, the customer negotiates the price for steel with the steel suppliers. We pay for the steel based on these negotiated prices and pass on those costs to the customer. Although we take ownership of the steel, our customers are responsible for all steel price fluctuations under these programs. We also purchase steel directly from domestic primary steel producers and steel service centers. Current demand for construction and oil industry related steel products and stable automotive production have helped the market rebound from historic lows with steel pricing stabilizing. The impact is the combination of the change in steel prices that are reflected in the price of our products, the change in the cost to procure steel from the source and the change in our recovery of offal. Our strategy is to be economically neutral to steel pricing by having these factors offset each other. As the price of steel has risen, so have the scrap metal markets as they are highly correlated. We blank and process steel for some of our customers on a toll processing basis. Under these arrangements, we charge a tolling fee for the operations that we perform without acquiring ownership of the steel and being burdened with the attendant costs of ownership or risk of loss. Revenues from operations involving directly owned steel include a component of raw material cost whereas toll processing revenues do not.

Critical Accounting Estimates

Preparation of our financial statements are in conformity with accounting principles generally accepted in the United States and requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and in the accompanying notes. We believe our estimates and assumptions are reasonable; however, actual results and the timing of the recognition of such amounts could differ from those estimates. We have identified the following items as critical accounting policies and estimates utilized by management in the preparation of the Company's accompanying financial statements. These estimates were selected because of inherent imprecision that may result from applying judgment to the estimation process. The expenses and accrued liabilities or allowances related to these policies are initially based on our best estimates at the time they are recorded. Adjustments are charged or credited to income and the related balance sheet account when actual experience differs from the expected experience underlying the estimates. We make frequent comparisons of actual experience and expected experience in order to mitigate the likelihood that material adjustments will be required.

Income Taxes. The Company accounts for income taxes in accordance with ASC Topic 740. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Management judgment is required in determining the Company's provision for income taxes, deferred tax assets and liabilities and the valuation allowance recorded against the Company's net deferred tax assets. In determining the need for a valuation allowance, the historical and projected financial performance of the operation recording the net deferred tax asset is considered along with any other pertinent information. Since future financial results may differ from previous estimates, periodic adjustments to the Company's valuation allowance may be necessary.

The Company is subject to income taxes in the U.S. at the federal and state level and numerous non-U.S. jurisdictions. Significant judgment is required in determining our worldwide provision for income taxes and recording the related assets and liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is less than certain. Accruals for income tax contingencies are provided for in accordance with the requirements of ASC Topic 740. The Company's U.S. federal and certain state income tax returns and certain non-U.S. income tax returns are currently under various stages of audit by applicable tax authorities. Although the outcome of ongoing tax audits is always uncertain, management believes that it has appropriate support for the positions taken on its tax returns. The Company recognizes a tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained by the tax authorities based on the technical merits of the position. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year.

Refer to Note 16, "Income Taxes," to the Condensed Financial Statements in Item 1 of this report for more information regarding income taxes.

Intangible Assets. Intangible assets with finite lives are amortized over their estimated useful lives. We amortize our acquired intangible assets with finite lives on a straight-line basis over periods ranging from three months to 15 years. See Note 8 to the consolidated financial statements for a description of the current intangible assets and their estimated amortization expense.

Finite-lived intangible assets are evaluated for impairment whenever events or changes in circumstances indicate their related carrying value may not be fully recordable.

Goodwill. Goodwill is the excess of cost of an acquired entity over the amounts assigned to assets acquired and liabilities assumed in a business combination. Goodwill relates to and is assigned directly to specific reporting units. Goodwill is not amortized but is subject to impairment assessment. In accordance with ASC 350, "Intangibles-Goodwill and Other," we assess goodwill for impairment on an annual basis, or more frequently, if an event occurs or circumstances change that would more likely than not reduce the fair value below the carrying amount. Our annual impairment assessment is performed as of September 30. Such assessment can be done on a qualitative or quantitative basis. When conducting a qualitative assessment, we consider relevant events and circumstances that affect the fair value or carrying amount of the reporting unit. A quantitative test is required only if we conclude that it is more likely than not that a reporting unit's fair value is less than its carrying amount, or we elect not to perform a qualitative assessment of a reporting unit. We consider the extent to which each of the events and circumstances identified affect the comparison of the reporting unit's fair value or the carrying amount. Such events and circumstances could include macroeconomic conditions, industry and market considerations, overall financial performance, entity and reporting unit specific events, product brand level specific events and cost factors. We place more weight on the events and circumstances that may affect our determination of whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount.

We perform a quantitative goodwill impairment assessment by comparing the fair value of a reporting unit to its carrying amount, including goodwill. If the carrying amount exceeds the fair value, we recognize an impairment charge for the amount which the carrying amount exceeds the fair value, not to exceed the total amount of goodwill in that reporting unit.

Share-based Payments. We record compensation expense for the fair value of nonvested stock option awards and restricted stock awards over the remaining vesting period. We use the simplified method to calculate the expected term of the stock options outstanding at five to six years and have utilized historical weighted average volatility. We determine the volatility and risk-free rate assumptions used in computing the fair value using the Black-Scholes option-pricing model. The expected term for the restricted stock award is between three months and four years. In addition, we do not estimate a forfeiture rate at the time of grant, instead, we elected to recognize share-based compensation expense when actual forfeitures occur.

The Black-Scholes option valuation model requires the input of highly subjective assumptions, including the expected life of the stock-based award and stock price volatility. The assumptions used are management's best estimates, but the estimates involve inherent uncertainties and the application of management judgment. As a result, if other assumptions had been used, the recorded stock-based compensation expense could have been materially different from that depicted in the financial statements.

New restricted stock and restricted stock units grants are valued at the closing market price on the date of grant.

U.S. Pension and Other Post-Retirement Costs and Liabilities. We have recorded pension and other post-retirement benefit liabilities that are developed from actuarial valuations for our U.S. operations. The pension plans were frozen in November of 2006 and therefore contributions by participants are not allowed. The determination of our pension liabilities requires key assumptions regarding discount rates used to determine the present value of future benefit payments and the expected return on plan assets. The discount rate is also significant to the development of other post-retirement liabilities. We determine these assumptions in consultation with, and after input from our actuaries.

The discount rate reflects the estimated rate at which the pension and other post-retirement liabilities could be settled at the end of the year. For our U.S. operations, we use the Principal Pension Discount Yield Curve ("Principal Curve") as the basis for determining the discount rate for reporting pension and retiree medical liabilities. At October 31, 2018, the resulting discount rate from the use of the Principal Curve was 4.35%, an increase of 0.70% that contributed to a decrease of the benefit obligation of \$5,627. A change of 25 basis points in the discount rate at October 31, 2018 would increase expense on an annual basis by \$6 or decrease expense on an annual basis by \$9.

The assumed long-term rate of return on pension assets is applied to the market value of plan assets to derive a reduction to pension expense that approximates the expected average rate of asset investment return over ten or more years. A decrease in the expected long-term rate of return will increase pension expense whereas an increase in the expected long-term rate will reduce pension expense. Decreases in the level of plan assets will serve to increase the amount of pension expense whereas increases in the level of actual plan assets will serve to decrease the amount of pension expense. Any shortfall in the actual return on plan assets from the expected return will increase pension expense in future years due to the amortization of the shortfall, whereas any excess in the actual return on plan assets from the expected return will reduce pension expense in future periods due to the amortization of the excess. A change of 25 basis points in the assumed rate of return on pension assets would increase or decrease expense by \$159.

Our investment policy for assets of the plans is to maintain an allocation generally of 30% to 70% in equity securities, 30% to 70% in debt securities and 0% to 10% in real estate. Equity security investments are structured to achieve an equal balance between growth and value stocks. We determine the annual rate of return on pension assets by first analyzing the composition of its asset portfolio. Historical rates of return are applied to the portfolio. Our investment advisors and actuaries review this computed rate of return. Industry comparables and other outside guidance are also considered in the annual selection of the expected rates of return on pension assets.

For the year ended October 31, 2018, the actual return on pension plans' assets for all of our plans was 0.70%, which is lower than the expected rate of return on plan assets of 6.50% used to derive pension expense. The long-term expected rate of return takes into account years with exceptional gains and years with exceptional losses.

Actual results that differ from these estimates may result in more or less future Company funding into the pension plans than is planned by management.

Results of Operations

Three Months Ended April 30, 2019 Compared to Three Months Ended April 30, 2018

REVENUES. Revenues for the second quarter of fiscal 2019 were \$273,370 compared to revenues of \$297,340 in the second quarter of fiscal 2018, a decrease of \$23,970, or 8.1%. The decrease is primarily attributable to volume. Revenues also decreased \$9,430 as a result of the closure of the Pendergrass facility.

GROSS PROFIT. Gross profit for the second quarter of fiscal 2019 was \$28,679 compared to gross profit of \$31,503 in the second quarter of fiscal 2018, a decrease of \$2,824, or 9.0%. Gross profit as a percentage of sales was 10.5% for the second quarter of 2019 and 10.6% for the second quarter of 2018. The decline in gross profit as a percentage of sales was primarily due to program launch costs.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Selling, general and administrative expenses support the growth in sales opportunities, new technologies and new product launches. Expenses were \$16,879 and \$22,146 in the second quarter of fiscal 2019 and 2018, respectively. As a percentage of sales, these expenses were 6.2% of sales for the second quarter of fiscal 2019 and 7.4% of sales for the first quarter of fiscal 2018. The decrease reflects lower employee compensation costs and focused initiatives for cost savings.

AMORTIZATION OF INTANGIBLE ASSETS. Amortization of intangible assets expense was \$519 for the second quarter of fiscal of 2019 and \$595 for the first fiscal quarter of 2018.

RESTRUCTURING. Restructuring charges of \$4,460 were recorded in the second quarter of fiscal 2019 compared to the \$1,483 in the second quarter of fiscal 2018. We continue to incur restructuring charges based upon our strategic decision to provide a more efficient and focused footprint allowing us to operate with lower fixed costs. These costs primarily included employee, professional, legal and other costs.

INTEREST EXPENSE. Interest expense for the second quarter of fiscal 2019 was \$3,848, compared to interest expense of \$2,645 in the second quarter of fiscal 2018. The increase in interest expense was the result of higher average borrowed funds along with a higher effective interest rate on our borrowing. Borrowed funds averaged \$292,768 during the second quarter of fiscal 2019 and the effective interest rate was 5.26%. In the second quarter of fiscal 2018, borrowed funds averaged \$220,384 and the effective interest rate of debt was 4.13%.

OTHER (INCOME) EXPENSE, NET. Other (income) expense, net was \$414 and \$394 for the second quarter of fiscal 2019 and 2018, respectively.

PROVISION / BENEFIT FOR INCOME TAXES. The provision for income taxes in the second quarter of fiscal 2019 was \$1,448 on income before taxes of \$2,560 for an effective tax rate of 56.6%. The provision for income taxes in the second quarter of fiscal 2018 was \$218 on income before taxes of \$4,243 for an effective tax rate of 5.1%. The effective tax rate for the three months ended April 30, 2019 and 2018 varied from the statutory rate primarily due to the effect of foreign currency losses without tax benefit in 2019 and 2018 as well as the Tax Reform Act for 2018.

NET INCOME. Net income for the second quarter of fiscal 2019 was \$1,112, or \$0.05 per share, diluted compared to net income for the second quarter of fiscal 2018 of \$4,025, or \$0.17 per share, diluted for the reasons discussed above.

Results of Operations

Six Months Ended April 30, 2019 Compared to the Six Months Ended April 30, 2018

REVENUES. Revenues for the first six months of fiscal 2019 were \$532,303 compared to first six months of fiscal 2018 revenues of \$545,006, a decrease of \$12,703. The decrease is primarily attributable to volume. Revenues decreased \$17,981 as a result of the closure of the Pendergrass facility.

GROSS PROFIT. Gross profit for the first six months of fiscal 2019 was \$42,370 compared to gross profit of \$59,393 in the first six months of fiscal 2018, a decrease of \$17,023. Gross profit as a percentage of sales was 8.0% in the first six months of fiscal 2019 and 10.9% in the first six months of fiscal 2018. The decline in gross profit as a percentage of sales was primarily due to program launch costs.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES. Expenses were \$32,964 and \$43,386 in the first six months of fiscal 2019 and 2018, respectively, a decrease of \$10,422. As a percentage of sales, these expenses were 6.2% of sales in the first six months of fiscal 2019 and 8.0% of sales in the first six months of fiscal 2018. The decrease reflects lower compensation costs.

AMORTIZATION OF INTANGIBLE ASSETS. Amortization of intangible assets expense of \$1,040 for the first six months of 2019 compared to \$1,160 for the first six months of 2018.

RESTRUCTURING. Restructuring charges of \$7,466 were recorded in the first six months of fiscal 2019 compared to the \$2,997 in the first six months of fiscal 2018. We continue to incur restructuring charges based upon our strategic decision to provide a more efficient and focused footprint allowing us to operate with lower fixed costs. These costs primarily included employee, professional, legal and other costs.

INTEREST EXPENSE. Interest expense for the first six months of fiscal 2019 was \$7,203, compared to interest expense of \$4,985 during the first six months of fiscal 2018. The increase in interest expense was the result of higher average borrowed funds along with a higher effective interest rate on our borrowing. Borrowed funds averaged \$286,901 during the first six months of fiscal 2019 and the effective interest rate was 5.02%. In the first six months of fiscal 2018, borrowed funds averaged \$207,953 and the effective interest rate was 4.03%.

OTHER (INCOME) EXPENSE, NET. Other (income) expense, net was \$(1,072) and \$830 for the first six months of fiscal 2019 and 2018, respectively. Other (income) expense, net reflects the gain on the sale of a building for the first six months of fiscal 2019.

PROVISION / BENEFIT FOR INCOME TAXES. The benefit for income taxes for the first six months of fiscal 2019 was benefit of \$1,639 on loss before taxes of \$5,225 for an effective tax rate of 31.4%. The provision for income taxes for the first six months of fiscal 2018 was a benefit of \$2,840 on income before income taxes of \$6,043 for an effective tax rate of (47.0)%. The effective tax rate for the six months ended April 30, 2019 and 2018 varies from the statutory rate due to income taxes on foreign earnings which are taxed at rates different from the U.S. statutory rate, certain foreign losses without tax benefits, change to valuation allowance against certain foreign deferred tax assets, and tax return to provision adjustments. The first six months of fiscal 2018 benefited from TCJA.

NET INCOME / LOSS. Net loss for the first six months of fiscal 2019 was \$3,586, or \$0.15 per share, diluted. Net income for the first six months of fiscal 2018 was \$8,883 or \$0.38 per share, diluted for the reasons discussed above.

Liquidity and Capital Resources

General:

Our ability to obtain adequate cash to fund our needs depends on our results of operations and the availability of financing. We believe that cash on hand, cash flow from operations and available borrowings under our Credit Agreement (as amended subsequent to April 30, 2019 on June 6, 2019 through the Ninth Amendment) will be sufficient to fund capital expenditures and meet our operating obligations for the next twelve months. However, there can be no assurance that we will meet these expectations. For additional information, refer to Risk Factors included in Part 1, Item 1A of Shiloh's Annual Report on Form 10-K for the fiscal year ended October 31, 2018.

Cash Flows and Working Capital:

At April 30, 2019, total debt was \$248,081 and total equity was \$195,153, resulting in a capitalization rate of 56.0% debt, 44.0% equity. Current assets were \$300,233 and current liabilities were \$220,772, resulting in positive working capital of \$79,461.

The following table summarizes the Company's cash flows from operating, investing and financing activities:

	Six Months Ended April 30,		2019 vs. 2018
	2019	2018	change
Net cash provided by operating activities	\$ 12,756	\$ 20,060	\$ (7,304)
Net cash used in investing activities	\$ (15,054)	\$ (86,183)	\$ 71,129
Net cash provided by financing activities	\$ 2,130	\$ 74,221	\$ (72,091)

Net Cash Provided By Operating Activities:

	Six Months Ended April 30,	
	2019	2018
Operational cash flow before changes in operating assets and liabilities	\$ 15,760	\$ 29,652
Changes in operating assets and liabilities:		
Accounts receivable, net	25,456	2,294
Inventories, net	7,196	1,287
Prepays and other assets	2,432	(4,445)
Payables and other liabilities	(33,669)	(7,286)
Accrued income taxes	(4,419)	(1,442)
Total change in operating assets and liabilities	\$ (3,004)	\$ (9,592)
Net cash provided by operating activities	\$ 12,756	\$ 20,060

Cash inflows and outflows from changes in operating assets and liabilities:

- Cash outflows from changes in operating assets and liabilities was \$3,004 for the six months ended April 30, 2019 and cash outflows was \$9,592 for the six months ended April 30, 2018 which was negatively impacted by product launches with increased costs until production stabilizes.
- Cash inflows from changes in accounts receivable for the six months ended April 30, 2019 and 2018, were \$25,456 and \$2,294, respectively. The cash inflows increased due to continuing efforts to collect receivables and sales volume changes.
- Cash inflows from changes in inventory for the six months ended April 30, 2019 were \$7,196 and cash outflows from changes in inventory were \$1,287 for the six months ended April 30, 2018. The difference was primarily driven by operational performance, as well as, a change in customer mix and delivery.
- Cash inflows from changes in prepaids and other assets for the six months ended April 30, 2019 were \$2,432 and cash outflows from changes in prepaids and other assets for the six months ended April 30, 2018 were \$4,445. The difference was primarily driven by the timing of invoicing customer-funded tooling.

- Cash outflows from changes in payables and other liabilities for the six months ended April 30, 2019 were \$33,669 and cash outflows from changes in payables and other liabilities for the six months ended April 30, 2018 were \$7,286. The difference was primarily driven by payment terms with our customers and vendors, offset partially by the timing of payments related to capital expenditures and customer-funded tooling.
- Cash outflows from changes in accrued income taxes for the six months ended April 30, 2019 and 2018 were \$4,419 and \$1,442, respectively. The changes were primarily driven by payment of income taxes in foreign jurisdictions.

Net Cash Used In Investing Activities:

Net cash used in investing activities for the six months ended April 30, 2019 and 2018 were \$15,054 and \$86,183, respectively. Capital expenditures were \$33,248 and \$23,772 for the six months ended April 30, 2019 and 2018, respectively. The expenditures are attributed to projects for new awards and product launches. Additionally, for the six months ended April 30, 2019, proceeds from the sale of assets generated \$12,339, primarily from the sale of the Pendergrass building and other equipment, as well as, cash inflows from derivative settlements of \$5,855. The six months ended April 30, 2018 includes \$62,481 net cash paid related to the acquisition of Brabant.

Net Cash Provided By Financing Activities:

Net cash provided by financing activities for the six months ended April 30, 2019 was \$2,130 and net cash provided by financing activities for the six months ended April 30, 2018 was \$74,221. Financing need is the result of changes in cash flows from operating activities and capital expenditures. For the six months ended April 30, 2018 cash provided was used to fund the acquisition of Brabant.

As of April 30, 2019, the Company's long-term indebtedness was \$247,597. Refer to "Item 1. – Financial Statements – Notes to Consolidated Financial Statements – Note 9 – Financing Arrangements" of this Quarterly Report on Form 10-Q for more information.

Long-term debt and short-term borrowings:

As of April 30, 2019, we were in compliance with our long-term financial debt covenants. Refer to "Item 1. – Financial Statements – Notes to Consolidated Financial Statements – Note 9 – Financing Arrangements" of this Quarterly Report on Form 10-Q for more information.

We continue to closely monitor the business conditions affecting the automotive industry. In addition, we closely monitor our working capital and capital expenditure needs and believe that the combination of cash from operations, cash balances and available credit facilities will be sufficient to satisfy our cash needs for our current level of operations and our planned operations for the foreseeable future.

Contractual Obligations

Our contractual obligations have not changed materially from those disclosed in "Part II – Item 7. – Management's Discussion and Analysis of Financial Condition and Results of Operations – Contractual Obligations" of our 2018 Form 10-K.

Effect of Inflation, Deflation

Inflation generally affects us by increasing the interest expense of floating rate indebtedness and by increasing the cost of labor, equipment and raw materials. The level of inflation has not had a material effect on our condensed consolidated financial results for the past three years.

In periods of decreasing prices, deflation occurs and may also affect our results of operations. With respect to steel purchases, we purchase steel through customers' steel buying programs which protects recovery of the cost of steel through the selling price of our products. For non-steel buying programs, we align the cost of steel purchases with the related selling price of the product. For our aluminum and magnesium die casting business, the cost of the materials is adjusted frequently to align with secured purchase commitments based on customer releases or based on referenced metal index plus additional material cost spreads agreed to by us and our customers.

Item 3. *Qualitative and Quantitative Market Risk Discussion*

Market risk is the potential loss arising from adverse changes in market rates and prices. We are exposed to market risk throughout the normal course of our business operations due to purchases of metals, sales of scrap steel, our ongoing investing and financing activities and exposure to foreign currency exchange rates. As such, we have established policies and procedures to govern our management of market risks. There have been no material changes to market risk exposures related to changes in commodity pricing, interest rates or currency exchange rates from those discussed in Item 7A of our 2018 Form 10-K.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

We maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, including the Principal Executive Officer ("PEO"), Principal Financial Officer ("PFO") and Principal Accounting Officer ("PAO"), as appropriate to allow for timely decisions regarding required disclosure. An evaluation was performed under the supervision and with the participation of our management, including the PEO, PFO and PAO, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(b) or 15d-15(b), as amended as of April 30, 2019. Based on their evaluation, our PEO, PFO and PAO have determined that our disclosure controls and procedures were effective as of April 30, 2019.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the three months ended April 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. *Legal Proceedings*

See Note 19, Commitments and Contingencies, in Item I of this report which is incorporated by reference herein.

Item 1A. *Risk Factors*

We are exposed to certain risks and uncertainties that could have a material adverse impact on our business, financial position and operating results. There have been no other material changes to the Risk Factors described in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended October 31, 2018.

Item 5. Other Information

Shiloh Industries, Inc. and Shiloh Holdings Netherlands B.V., *a besloten vennootschap met beperkte aansprakelijkheid* organized under the laws of the Netherlands (the "Dutch Borrower"), as the borrowers, and certain domestic subsidiaries of the Company, as the guarantors, entered into an amendment, dated June 6, 2019 (the "Amendment"), with respect to the Company's existing Credit Agreement (as so amended, the "Credit Agreement"), with the lenders part thereto and Bank of America, N.A. as administrative agent, swing line lender and an L/C issuer. The Amendment amends the Credit Agreement, which was originally entered into on October 25, 2013 and previously amended as of December 30, 2013, June 26, 2014, September 29, 2014, April 29, 2015, October 15, 2015, October 28, 2016, July 31, 2017 and October 31, 2017.

The Amendment, among other things, modifies certain of the thresholds for the consolidated leverage ratio, adjusts the interest rate margins based on the applicable pricing tiers, and modifies various baskets related to the indebtedness of foreign subsidiaries, disposition of assets, capital expenditures and certain sale leaseback transactions, in each case under the Credit Agreement. The Amendment does not modify the aggregate revolving commitments under the Credit Agreement.

Certain of the lenders under the Credit Agreement and their affiliates have provided from time to time, and may continue to provide, investment banking, commercial banking, financial and other services to us which we have paid and intend to pay customary fee and expense reimbursements.

The foregoing is a summary of the material terms and conditions of the Amendment and not a complete description of the Amendment. Accordingly, the foregoing is qualified in its entirety by reference to the Amendment, attached hereto as Exhibit 10.2, and incorporated herein by reference.

Item 6. Exhibits

		Incorporated By Reference				
Exhibit #	Exhibit Description	Form	File Number	Date of First Filing	Exhibit Number	Filed Herewith
3.1	Certificate of Amendment of Restated Certificate of Incorporation of the Registrant, dated March 1, 2019.	10-Q	000-21964	March 12, 2019	3.1	
3.2	Certificate of Amendment to Restated Certificate of Incorporation of the Registrant, dated March 9, 2016 (incorporated herein by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q filed on June 8, 2016).	10-Q	000-21964	June 8, 2016	3.1	
3.3	Certificate of Designation, dated December 31, 2001 (incorporated herein by reference to Exhibit 3.1(ii) to the Registrant's Annual Report on Form 10-K for the fiscal year ended October 31, 2001).	10-K	000-21964	February 13, 2002	3.1(ii)	
3.4	Restated Certificate of Incorporation of the Registrant, dated June 23, 1993 (incorporated herein by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q filed on June 8, 2016).	10-Q	000-21964	June 8, 2016	3.1	
3.5	Amended and Restated By-Laws of the Registrant, as amended through December 18, 2018 (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on December 21, 2018).	8-K	000-21964	December 21, 2018	3.1	
10.1	Shiloh Industries, Inc. 2019 Equity and Incentive Compensation Plan.	DEF 14A	000-21964	January 17, 2019	Appendix A	
10.2	Ninth Amendment to Credit Agreement, First Amendment to Security Agreement and First Amendment to Pledge Agreement, dated June 6, 2019, among Shiloh Industries, Inc. and Shiloh Holdings Netherlands B.V., a besloten vennootschap met beperkte aansprakelijkheid organized under the laws of the Netherlands, as borrowers, and certain of the domestic subsidiaries of Shiloh Industries, Inc., as guarantors, the lenders party thereto, and Bank of America, N.A., as administrative agent, swing line lender and an L/C issuer.					X
31.1	Principal Executive Officer's Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Principal Financial Officer's Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Extension Schema Document					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document					X
101.LAB	XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document					X

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SHILOH INDUSTRIES, INC.

By: _____ /s/ LILLIAN ETZKORN

Lillian Etkorn

**Senior Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)**

Date: June 10, 2019

NINTH AMENDMENT TO CREDIT AGREEMENT, FIRST AMENDMENT TO SECURITY AGREEMENT
AND FIRST AMENDMENT TO PLEDGE AGREEMENT

THIS NINTH AMENDMENT TO CREDIT AGREEMENT, FIRST AMENDMENT TO SECURITY AGREEMENT AND FIRST AMENDMENT TO PLEDGE AGREEMENT (this “Ninth Amendment Agreement”) dated as of June 6, 2019 (the “Amendment Closing Date”) is entered into among SHILOH INDUSTRIES, INC., a Delaware corporation (the “Company”), SHILOH HOLDINGS NETHERLANDS B.V., a *besloten vennootschap met beperkte aansprakelijkheid* organized under the laws of the Netherlands (the “Dutch Borrower” and together with the Company, each a “Borrower” and collectively, the “Borrowers”), the Guarantors party hereto, the Lenders party hereto and BANK OF AMERICA, N.A., as Administrative Agent, Swing Line Lender, Dutch Swing Line Lender and L/C Issuer.

RECITALS

WHEREAS, the Company, the Guarantors, the Lenders and Bank of America, N.A., as Administrative Agent entered into that certain Credit Agreement dated as of October 25, 2013 (as amended by that certain First Amendment to Credit Agreement dated as of December 30, 2013, that certain Second Amendment to Credit Agreement dated as of June 26, 2014, that certain Third Amendment to Credit Agreement dated as of September 29, 2014, that certain Fourth Amendment to Credit Agreement dated as of April 29, 2015, that certain Fifth Amendment to Credit Agreement dated as of October 30, 2015, that certain Sixth Amendment to Credit Agreement dated as of October 28, 2016, that certain Seventh Amendment to Credit Agreement dated as of July 31, 2017, that certain Eighth Amendment to Credit Agreement dated as of October 31, 2017 and as otherwise amended, supplemented or modified, the “Credit Agreement”);

WHEREAS, the Company and the Guarantors are party to that certain Security Agreement, dated as of October 25, 2013 (as amended, supplemented or modified, the “Security Agreement”) in favor of the Administrative Agent, on behalf of the Secured Parties;

WHEREAS, the Company and the Guarantors are party to that certain Pledge Agreement, dated as of October 25, 2013 (as amended, supplemented or modified, the “Pledge Agreement”) in favor of the Administrative Agent, on behalf of the Secured Parties and

WHEREAS, the Borrowers have requested that the Lenders and the L/C Issuer make certain amendments and modifications to the Credit Agreement, the Security Agreement and the Pledge Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Credit Agreement.

2. Amendments to Credit Agreement. The Credit Agreement is hereby amended as follows:

(a) All references to “MLPFS” in the Credit Agreement are hereby amended to be references to “BofA Securities”.

(b) The following defined terms are hereby added to Section 1.01 of the Credit Agreement in the appropriate alphabetical order to read as follows:

“Beneficial Ownership Certification” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“BofA Securities” means BofA Securities, Inc., in its capacity as a joint lead arranger and joint bookrunner.

“LIBOR Screen Rate” means the LIBOR quote on the applicable screen page the Administrative Agent designates to determine LIBOR (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

“LIBOR Successor Rate” has the meaning set forth in Section 3.07.

“LIBOR Successor Rate Conforming Changes” means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Base Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of the Administrative Agent, to reflect the adoption of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent determines in consultation with the Company).

“Ninth Amendment Effective Date” means June 6, 2019.

“Ninth Amendment Fee Letter” means that certain letter agreement dated as of May 29, 2019 by and among the Company, Bank of America and BofA Securities.

“Scheduled Unavailability Date” has the meaning set forth in Section 3.07.

(c) The following defined terms in Section 1.01 of the Credit Agreement are hereby amended and restated in their entireties to read as follows:

“Applicable Rate” means with respect to Revolving Loans, Swing Line Loans, Dutch Swing Line Loans, Letters of Credit and the Commitment Fee, the following percentages per annum, based upon the Consolidated Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 7.02(b):

Pricing Tier	Consolidated Leverage Ratio	Commitment Fee	Letter of Credit Fee	Eurocurrency Rate Loans	Base Rate Loans
1	≥ 4.25 to 1.00	0.650%	4.00%	4.00%	3.00%
2	< 4.25 to 1.00 but ≥ 3.75 to 1.00	0.575%	3.50%	3.50%	2.50%
3	< 3.75 to 1.00 but ≥ 3.25 to 1.00	0.500%	3.00%	3.00%	2.00%
4	< 3.25 to 1.00 but ≥ 2.75 to 1.00	0.425%	2.50%	2.50%	1.50%
5	< 2.75 to 1.00 but ≥ 2.25 to 1.00	0.375%	2.25%	2.25%	1.25%
6	< 2.25 to 1.00 but ≥ 1.75 to 1.00	0.325%	2.00%	2.00%	1.00%
7	< 1.75 to 1.00 but ≥ 1.50 to 1.00	0.300%	1.75%	1.75%	0.75%
8	< 1.50 to 1.00	0.275%	1.50%	1.50%	0.50%

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 7.02(b); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then, upon the request of the Required Lenders, Pricing Tier 1 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall continue to apply until the first Business Day immediately following the date a Compliance Certificate is delivered in accordance with Section 7.02(b), whereupon the Applicable Rate shall be adjusted based upon the calculation of the Consolidated Leverage Ratio contained in such Compliance Certificate. The Applicable Rate in effect from the Ninth Amendment Effective Date to the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 7.02(b) for the fiscal period ending July 31, 2019 shall be determined based upon Pricing Tier 3. Notwithstanding anything to the contrary contained in this definition, the determination of the Applicable Rate for any period shall be subject to the provisions of Section 2.10(b).

“Cumulative Credit” means, at any date, the total of (a) \$5,000,000 minus (b) the amount of the Cumulative Credit applied to make Investments, Restricted Payments or Capital Expenditures after the Ninth Amendment Effective Date but prior to such date, as permitted hereunder.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments (including a Dutch *surséance van betaling*), appointment of an administrator (including a Dutch *bewindvoerder*) or receiver (including a Dutch *curator*), a winding up, administration, dissolution (including a Dutch *failliet verklaard* and *ontbonden*) or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Immaterial Subsidiary” means, at any time, a Subsidiary of any Loan Party that (a) as of the last day of the fiscal quarter of the Company most recently ended for which the Company was required to deliver financial statements pursuant to Section 7.01(a)(i) or (b), did not have Consolidated

Total Assets in excess of three percent (3%) of the aggregate Consolidated Total Assets of the Company and its Subsidiaries at the end of such fiscal quarter and (b) for the period of four consecutive fiscal quarters of the Company most recently ended for which the Company was required to deliver financial statements pursuant to Section 7.01(a)(i) or (b), did not have consolidated revenues attributable to such Subsidiary in excess of three percent (3%) of the consolidated revenues of the Company and its Subsidiaries for such period.

“Incremental Amount” means \$0.

“Joint Lead Arrangers” means BofA Securities and JPMorgan Chase Bank, N.A., in their respective capacities as joint lead arrangers and joint bookrunners.

“Loan Documents” means this Agreement, each Note, each Issuer Document, each Joinder Agreement, the Third Amendment Effective Date Disclosure Letter, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14 of this Agreement, each Auto Borrow Agreement, each Collateral Document, the Fee Letter, the Fifth Amendment Agreement, the Fifth Amendment Fee Letter, the Sixth Amendment Fee Letter, the Eighth Amendment Fee Letter, the Ninth Amendment Fee Letter and any other agreement or document specifically designated as a “Loan Document” (but specifically excluding Secured Swap Agreements, Secured Treasury Management Agreements and Foreign Currency Agreements).

“Permitted Acquisitions” means, prior to the Ninth Amendment Effective Date, Investments consisting of an Acquisition by any Loan Party or Subsidiary, provided that (a) no Default or Event of Default shall have occurred and be continuing or would result from such Acquisition, (b) the property acquired (or the property of the Person acquired) in such Acquisition is used or useful in the same or a related line of business as the Company and its Subsidiaries were engaged in on the Closing Date (or any reasonable extensions or expansions thereof), (c) the Administrative Agent shall have received all items in respect of the Equity Interests or property acquired in such Acquisition required to be delivered by the terms of Section 7.12 and/or Section 7.14, (d) in the case of an Acquisition of the Equity Interests of another Person, the board of directors (or other comparable governing body) of such other Person shall have duly approved such Acquisition, (e) the Company shall have delivered to the Administrative Agent a Pro Forma Compliance Certificate demonstrating that, upon giving effect to such Acquisition on a Pro Forma Basis, (i) the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11 as of the most recent fiscal quarter end for which the Company was required to deliver financial statements pursuant to Section 7.01(a)(i) or (b), (ii) the Consolidated Leverage Ratio is at least 0.25 less than the ratio required to be maintained at such time by Section 8.11(a) and (iii) the Consolidated Leverage Ratio is less than 3.00 to 1.0, (f) the Company shall have delivered to the Administrative Agent pro forma financial statements for the Company and its Subsidiaries after giving effect to such Acquisition for the twelve (12) month period ending as of the most recent fiscal quarter in a form satisfactory to the Administrative Agent, (g) the representations and warranties made by the Loan Parties in each Loan Document shall be true and correct in all material respects (or, if any such representation or warranty is qualified by materiality or Material Adverse Effect, it shall be true and correct in all respects) at and as if made as of the date of such Acquisition (after giving effect thereto) except to the extent such representations and warranties expressly relate to an earlier date and (h) if such transaction involves the purchase of an interest in a partnership between the Company (or a Subsidiary) as a general partner and entities unaffiliated with the Company or such Subsidiary as the other partners, such transaction shall be effected by having such equity interest acquired by a corporate holding company directly or indirectly wholly-owned by the Company newly formed for the sole purpose of effecting such transaction. For the avoidance of doubt, on and after the Ninth Amendment Effective Date, no Acquisitions shall constitute Permitted Acquisitions.

(d) The final sentence of the definition of “Consolidated EBITDA” in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Notwithstanding the foregoing, it is understood and agreed that the aggregate amount added back (or, for the avoidance of doubt, in the case of clause (b)(xii), added) pursuant to clauses (b)(vii), (b)(ix), (b)(xii) and (b)(xiii) (A) for any period ending prior to January 31, 2021 shall not exceed twenty percent (20%) of Consolidated EBITDA for such period or (B) for any period ending on or after January 31, 2021 shall not exceed fifteen percent (15%) of Consolidated EBITDA for such period, in each case prior to giving effect to all such add-backs (or, for the avoidance of doubt, in the case of clause (b)(xii), additions) for such period.

(e) The definitions of “Material Acquisition”, “Material Acquisition Pro Forma Calculation” and “MLPFS” are hereby deleted from Section 1.01 of the Credit Agreement in their entirety.

(f) A new clause (d) is hereby added to Section 1.02 of the Credit Agreement to read as follows:

(d) Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale or disposition, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or disposition, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

(g) The following sentence is hereby deleted from Section 1.03(c) of the Credit Agreement:

Notwithstanding anything to the contrary contained herein, in connection with any Material Acquisition Pro Forma Calculation, the numerator of the otherwise applicable maximum Consolidated Leverage Ratio that was permitted pursuant to Section 8.11(a) for the most recent fiscal quarter ended for which the Company was required to deliver financial statements pursuant to Section 7.01(a) or (b) shall be deemed to be increased by (i) for each of the three consecutive fiscal quarters, beginning with the fiscal quarter in which such Material Acquisition occurs, an amount equal to 0.50 and (ii) for the fourth fiscal quarter ending immediately after the Material Acquisition occurs, an amount equal to 0.25; solely for purposes of such Material Acquisition Pro Forma Calculation.

(h) The reference to “\$500,000,000” in Section 2.02(f)(i) is hereby amended to read “350,000,000”.

(i) Article III of the Credit Agreement is hereby amended by (i) renumbering Section 3.07 to be Section 3.08 and (ii) adding a new Section 3.07 to read as follows:

3.07 Successor LIBOR.

Notwithstanding anything to the contrary in this Agreement or any other Loan Documents (including Section 11.01 hereof), if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Company or Required Lenders notify the Administrative Agent (with, in the case of the Required Lenders, a copy to Company) that the Company or Required Lenders (as applicable) have determined, that:

(a) adequate and reasonable means do not exist for ascertaining LIBOR for the applicable currency for any requested Interest Period because the LIBOR Screen Rate for the applicable currency is not available or published on a current basis and such circumstances are unlikely to be temporary;

(b) the administrator of the LIBOR Screen Rate for the applicable currency or a Governmental Authority having jurisdiction over the Administrative Agent has made a public

statement identifying a specific date after which LIBOR for the applicable currency or the LIBOR Screen Rate for the applicable currency shall no longer be made available, or used for determining the interest rate of loans denominated in the applicable currency (such specific date, the “Scheduled Unavailability Date”); or

(c) syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR for the applicable currency;

then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Company may amend this Agreement to replace LIBOR for the applicable currency with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar syndicated credit facilities denominated in the applicable currency for such alternative benchmarks (any such proposed rate, a “LIBOR Successor Rate”), together with any proposed LIBOR Successor Rate Conforming Changes and any such amendment shall become effective at 5:00 p.m. (New York time) on the fifth (5th) Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Company unless, prior to such time, Lenders comprising the Required Lenders have delivered to the Administrative Agent written notice that such Required Lenders do not accept such amendment.

If no LIBOR Successor Rate has been determined and the circumstances under clause (a) above exist or the Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Company and each Lender. Thereafter, (x) the obligation of the Lenders to make or maintain Eurocurrency Rate Loans for the applicable currency shall be suspended, (to the extent of the affected Eurocurrency Rate Loans or Interest Periods), and (y) if the applicable currency is Dollars, the Eurocurrency Rate component shall no longer be utilized in determining the Base Rate. Upon receipt of such notice, the Company may revoke any pending request for a Borrowing of, conversion to or continuation of Eurocurrency Rate Loans denominated in the applicable currency (to the extent of the affected Eurocurrency Rate Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans (subject to the foregoing clause (y)) in the amount specified therein.

Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.

(j) A new sentence is hereby added to the end of Section 6.15 of the Credit Agreement to read as follows:

As of the Ninth Amendment Effective Date, the information included in any Beneficial Ownership Certification is true and correct in all respects.

(k) In Section 7.02 of the Credit Agreement, (i) the “and” at the end of clause (h) is hereby deleted, (ii) the “.” at the end of clause (i) is hereby amended to read “;” and (iii) new clauses (j) and (k) are hereby added to read as follows:

(j) promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable “know your customer” requirements under the PATRIOT Act, the Beneficial Ownership Regulation or other applicable anti-money laundering laws; and

(k) to the extent the Consolidated Leverage Ratio as of the last day of the fiscal quarter immediately preceding such date was greater than 3.25 to 1.0, by 5:00 p.m. on the fifth (5th) Business

Day of each fiscal month, commencing on July 8, 2019 for the week ending June 29, 2019, consolidated forecasts of cash flows for the Loan Parties and their Subsidiaries for the thirteen (13) weeks following each such preceding-ended week, together with such information related thereto as is reasonably requested by the Administrative Agent (it being understood that such provided information shall be in form and detail reasonably satisfactory to the Administrative Agent). For the avoidance of doubt, it is understood and agreed that such information shall be “Private Side Information.”

(l) Section 7.10 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

7.10 Inspection Rights.

(a) Permit representatives and independent contractors of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Company and at such reasonable times during normal business hours and as often as may be desired, upon reasonable advance notice to the Company; provided, however, that when an Event of Default exists the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Company at any time during normal business hours and without advance notice. In addition, if as of any date, the Consolidated Leverage Ratio as of the last day of the fiscal quarter immediately preceding such date was greater than 3.25 to 1.0, the Loan Parties shall permit the Administrative Agent (and/or one or more of its Related Parties or contractors) to conduct field exams and appraisals of the Loan Parties and their respective Subsidiaries, all at the expense of the Company, which such expenses of the Administrative Agent or any Lender shall be reasonable and documented; provided, that, no more than one (1) such field exam and appraisal shall be conducted in any fiscal year. The Loan Parties shall cooperate with the Administrative Agent (and/or one or more of its Related Parties or contractors) in the completion of such field exams and appraisals; and

(b) each fiscal quarter, to the extent the Consolidated Leverage Ratio as of the last day of the fiscal quarter immediately preceding such date was greater than 3.25 to 1.0, the Company shall, commencing with the fiscal quarter ending July 31, 2019, participate in a telephone conference with the Administrative Agent and the Lenders at such time as may be agreed to by the Company and the Administrative Agent in order to provide the Administrative Agent and the Lenders with an update on the business operations and financial performance of the Loan Parties and their Subsidiaries; provided, that, the Company shall have no obligation to participate in more than one (1) such conference call each fiscal quarter. Such telephone conferences shall include management discussion and analysis discussions with performance plans and updates on platform launches and shall provide Lenders with the opportunity to ask questions of management.

(m) Section 8.02(j) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(j) [reserved];

(n) Section 8.03(g) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(g) Indebtedness of Foreign Subsidiaries in an aggregate principal amount at any one time outstanding for all such Persons taken together not to exceed \$35,000,000; provided, that, if such Indebtedness is recourse to any Loan Party, after giving effect to the incurrence of such Indebtedness

on a Pro Forma Basis, the Loan Parties shall be in compliance with the financial covenants set forth in Section 8.11;

(o) Section 8.05(f) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

and (f) the aggregate net book value of all of the assets sold or otherwise disposed of by the Company and its Subsidiaries in all such transactions (other than Sale and Leaseback Transactions permitted by Section 8.15(b)) occurring during any consecutive twelve-month period (commencing on the Ninth Amendment Effective Date) shall not exceed \$5,000,000.

(p) Section 8.11(a) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(a) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as of the end of any fiscal quarter of the Company after the Ninth Amendment Effective Date to be greater than the ratio set forth below corresponding to such fiscal quarter:

Fiscal Quarter	Leverage Ratio
October 31, 2019	5.25 to 1.0
January 31, 2020	4.75 to 1.0
April 30, 2020	4.50 to 1.0
July 31, 2020	4.25 to 1.0
October 31, 2020 and thereafter	3.25 to 1.0

(q) Section 8.15(b) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(b) for Sale and Leaseback Transactions in an aggregate amount not to exceed \$5,000,000 during any consecutive twelve-month period.

(r) Section 8.17 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

8.17 Consolidated Capital Expenditures.

Permit Consolidated Capital Expenditures; provided that the Loan Parties and their Subsidiaries may make Consolidated Capital Expenditures (a) for the fiscal year ending October 31, 2019, in an amount not to exceed \$67,500,000 and (b) for any fiscal year ending prior to or thereafter, (i) in an unlimited amount so long as after giving effect to any such Consolidated Capital Expenditure on a Pro Forma Basis, the Consolidated Leverage Ratio is less than or equal to 2.75 to 1.0, (ii) in an amount not to exceed six percent (6%) of the net revenues of the Company and its Subsidiaries for the four fiscal quarter period mostly recently ended for which financial statements have been delivered pursuant to Section 7.01(a) or 7.01(b), if after giving effect to any such Consolidated Capital Expenditure on a Pro Forma Basis, the Consolidated Leverage Ratio is greater than 2.75 to 1.0 (provided that any Consolidated Capital Expenditure made pursuant to the preceding clause (i) shall not reduce availability under the basket in this clause (ii)) and (iii) made with the portion, if any, of the Cumulative Credit on the date that the Company elects to apply all or a portion thereof to this Section 8.17(b)(iii), such election to be specified in a written notice of a Responsible Officer of the Company calculating in reasonable detail the amount of Cumulative Credit immediately prior to such election and the amount thereof elected to be so applied (provided that (x) immediately before and immediately after giving

Pro Forma Effect to any such Consolidated Capital Expenditure, no Default or Event of Default shall have occurred and be continuing and (y) such amount is Not Otherwise Applied).

(s) The proviso following clause (d) in Section 11.01 of the Credit Agreement is hereby amended by (i) replacing the “and” immediately before clause (v) with “,” and (ii) adding a new clause (vi) to read as follows:

and (vi) the Administrative Agent and the Company may make amendments contemplated by Section 3.07.

(t) A new Section 11.23 is hereby added to Article XI of the Credit Agreement to read as follows:

11.23 Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 11.23, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

3. Amendment to Security Agreement. A new Section 24 is hereby added to the Security Agreement to read as follows:

24. Acknowledgement Regarding Any Supported QFCs. The provisions and acknowledgements contained in Section 11.23 of the Credit Agreement are hereby incorporated into this Security Agreement, *mutatis mutandis*.

4. Amendment to Pledge Agreement. A new Section 24 is hereby added to the Pledge Agreement to read as follows:

24. Acknowledgement Regarding Any Supported QFCs. The provisions and acknowledgements contained in Section 11.23 of the Credit Agreement are hereby incorporated into this Pledge Agreement, *mutatis mutandis*.

5. Conditions Precedent. This Ninth Amendment Agreement shall become effective upon satisfaction (or waiver) of the following conditions precedent:

(a) Ninth Amendment Agreement. Receipt by the Administrative Agent of counterparts of this Ninth Amendment Agreement executed by the Borrowers, the Guarantors party hereto, the L/C Issuer and the Required Lenders.

(b) Opinions of Counsel. Receipt by the Administrative Agent of favorable opinions of legal counsel, addressed to the Administrative Agent and each Lender, dated as of the Amendment Closing Date, and in form and substance reasonably satisfactory to the Administrative Agent.

(c) Organization Documents, Resolutions, Etc. Receipt by the Administrative Agent of the following, each of which shall be originals, certified copies or facsimiles (followed promptly by originals), in form and substance reasonably satisfactory to the Administrative Agent and its legal counsel:

(i) certificates of Responsible Officers of each Loan Party certifying (x) copies of the Organization Documents of such Loan Party to be true and correct as of the Amendment Closing Date, in each case in form and substance satisfactory to the Administrative Agent or (y) that no changes, amendments or other modifications have been made to the Organization Documents of such Loan Party since the Eighth Amendment Effective Date or the date such Loan Party became a Loan Party, as applicable;

(ii) such certificates of resolutions or other action and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Ninth Amendment Agreement and the transactions contemplated hereby;

(iii) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized, formed or incorporated, and is validly existing, in good standing (to the extent applicable) and qualified to engage in business in its state of organization, formation or incorporation, in each case in form and substance reasonably satisfactory to the Administrative Agent; and

(iv) in respect of the Dutch Borrower:

(A) an up-to-date extract from the Dutch trade register (*handelsregister*) relating to it dated no earlier than fifteen (15) Business Days prior to the Amendment Closing Date; and

(B) a copy of a resolution of its board of managing directors approving the execution of, and the terms of, and the transactions contemplated by, this Ninth Amendment Agreement.

(d) Fees. Receipt by the Administrative Agent, the Joint Lead Arrangers and the Lenders of any fees required to be paid on or before the Amendment Closing Date in connection with the consummation of the transactions contemplated hereby.

(e) Expense Reimbursement/Attorney Costs. The Administrative Agent, the Joint Lead Arrangers, the L/C Issuer and the Lenders shall have been reimbursed for all reasonable and documented out-of-pocket expenses owing to the Administrative Agent, the Joint Lead Arrangers, the L/C Issuer, the Lenders and their counsel (including, for the avoidance of doubt, all reasonable fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced prior to the Amendment Closing Date).

(f) Beneficial Ownership Certification. If any Borrower qualifies as a “legal entity customer” under 31 C.F.R. § 1010.230 (the “Beneficial Ownership Regulation”), it shall deliver a certification regarding beneficial ownership required by the Beneficial Ownership Regulation to each Lender that so requests.

6. Release. As a material part of the consideration for Administrative Agent, the L/C Issuer and the Lenders entering into this Ninth Amendment Agreement, the Loan Parties agree as follows (the “Release Provision”):

(a) By their signatures below, the Borrowers and the other Loan Parties hereby agree that the Administrative Agent and each of the Lenders, and each of their respective Affiliates, officers, managers, directors, agents, attorneys, representatives and employees, and their respective predecessors, successors and assigns (hereinafter all of the above collectively referred to as the “Bank Group”), are irrevocably and unconditionally released, discharged and acquitted from any and all actions, causes of action, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known or unknown, suspected or unsuspected to the extent that any of the foregoing arises from any action or failure to act solely in connection with the Loan Documents on or prior to the date hereof; provided, that, for the avoidance of doubt, nothing herein will constitute a release or discharge by the Borrower or any other Loan Party after the date hereof.

(b) Each Loan Party hereby acknowledges, represents and warrants to the Bank Group that:

(i) such Loan Party has read and understands the effect of the Release Provision. Such Loan Party has had the assistance of independent counsel of its own choice, or has had the opportunity to retain such independent counsel, in reviewing, discussing, and considering all the terms of the Release Provision; and if counsel was retained, counsel for such Loan Party has read and considered the Release Provision and advised such Loan Party with respect to the same. Before execution of this Ninth Amendment Agreement, such Loan Party has had adequate opportunity to make whatever investigation or inquiry it may deem necessary or desirable in connection with the subject matter of the Release Provision;

(ii) such Loan Party is not acting in reliance on any representation, understanding, or agreement not expressly set forth herein. Such Loan Party acknowledges that the Bank Group has not made any representation with respect to the Release Provision except as expressly set forth herein;

(iii) such Loan Party has executed this Ninth Amendment Agreement and the Release Provision thereof as its free and voluntary act, without any duress, coercion, or undue influence exerted by or on behalf of any person; and

(iv) such Loan Party is the sole owner of the claims released by the Release Provision, and such Loan Party has not heretofore conveyed or assigned any interest in any such claims to any other Person.

(c) Such Loan Party understands that the Release Provision was a material consideration in the agreement of the Administrative Agent, the L/C Issuer and the Lenders to enter into this Ninth Amendment Agreement.

7. Miscellaneous.

(a) Except as expressly set forth herein, this Ninth Amendment Agreement shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, the L/C Issuers, the Swing Line Lender, the Dutch Swing Line Lender or the Lenders under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which, as amended, supplemented or otherwise modified hereby, are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Loan Party to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances. This Ninth Amendment Agreement shall constitute a Loan Document. The parties hereto further acknowledge and agree that this Ninth Amendment Agreement constitutes an amendment to the Credit Agreement, the Security Agreement and the Pledge Agreement, in each case, made under and in accordance with the terms of Section 11.01 of the Credit Agreement.

(b) Each Guarantor party hereto (i) hereby acknowledges and consents to all of the terms and conditions of this Ninth Amendment Agreement, (ii) affirms all of its obligations under the Loan Documents and (iii) agrees that this Ninth Amendment Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Credit Agreement or the other Loan Documents.

(c) The Borrowers and the Guarantors party hereto hereby represent and warrant as follows:

(i) Each of the Loan Parties has taken all necessary action to authorize the execution, delivery and performance of this Ninth Amendment Agreement.

(ii) This Ninth Amendment Agreement has been duly executed and delivered by the Loan Parties and constitutes each of the Loan Parties' legal, valid and binding obligations, enforceable in accordance with its terms, except as such enforceability may be subject to (A) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally and (B) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(iii) No consent, approval, authorization or order of, or filing, registration or qualification with, any court or governmental authority or third party is required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Ninth Amendment Agreement, other than (A) those that have already been obtained and are in full force and effect, (B) filings to perfect the Liens created by the Collateral Documents, (C) those approvals, consents,

exemptions, authorizations, actions, notices or filings described in the Collateral Documents and (D) those approvals, consents, exemptions, authorizations, actions, notices or filings, to the extent that the failure to obtain the same could not reasonably be expected to have a Material Adverse Effect.

(d) The Loan Parties represent and warrant to the Lenders that (i) the representations and warranties of the Loan Parties set forth in Article VI of the Credit Agreement and in each other Loan Document are true and correct in all material respects (or, if any such representation or warranty is qualified by materiality or Material Adverse Effect, it shall be true and correct in all respects) as of the date hereof with the same effect as if made on and as of the date hereof, except to the extent such representations and warranties expressly relate solely to an earlier date, in which case they shall be true and correct in all material respects (or, if any such representation or warranty is qualified by materiality or Material Adverse Effect, it shall be true and correct in all respects) as of such earlier date and (ii) no event has occurred and is continuing which constitutes a Default or an Event of Default.

(e) This Ninth Amendment Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of this Ninth Amendment Agreement by telecopy shall be effective as an original and shall constitute a representation that an executed original shall be delivered.

(f) THIS Ninth Amendment AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. The provisions of Section 11.14(b) of the Credit Agreement are incorporated herein by reference and shall apply to this Ninth Amendment Agreement and the transactions contemplated hereby *mutatis mutandis*.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Ninth Amendment Agreement to be duly executed as of the date first above written.

BORROWERS:

SHILOH INDUSTRIES, INC.,

a Delaware corporation

By: /s/ Lillian Etzkorn

Name: Lillian Etzkorn

Title: Treasurer, Senior Vice President and Chief Financial Officer

SHILOH HOLDINGS NETHERLANDS B.V.,

a *besloten vennootschap met beperkte aansprakelijkheid* organized under the laws of the Netherlands

By: /s/ Helena Dorinda de Rijk

Name: Helena Dorinda de Rijk

Title: Director A

By: /s/ Kenton Michael Bednarz

Name: Kenton Michael Bednarz

Title: Director B

GUARANTORS:

SHILOH CORPORATION,

an Ohio corporation

By: /s/ Lillian Etzkorn

Name: Lillian Etzkorn

Title: Treasurer

GREENFIELD DIE & MANUFACTURING CORP.,
a Michigan corporation

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

JEFFERSON BLANKING INC.,
a Georgia corporation

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

SHILOH AUTOMOTIVE, INC.,
an Ohio corporation

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

**SHILOH INDUSTRIES, INC. DICKSON
MANUFACTURING DIVISION,**
a Tennessee corporation

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

LIVERPOOL COIL PROCESSING, INCORPORATED,
an Ohio corporation

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

MEDINA BLANKING, INC.,
an Ohio corporation

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

THE SECTIONAL DIE COMPANY,
an Ohio corporation

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

SECTIONAL STAMPING, INC.,
an Ohio corporation

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

SHILOH DIE CAST LLC,
an Ohio limited liability company

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

ALBANY-CHICAGO COMPANY LLC,
a Wisconsin limited liability company

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

SHILOH DIE CAST MIDWEST LLC,
an Ohio limited liability company

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

SHILOH HOLDINGS INTERNATIONAL, INC.,
a Michigan corporation

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

FMS MAGNUM HOLDINGS LLC,
an Ohio limited liability company

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

SHILOH MANUFACTURING LLC,
a Michigan limited liability company

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

SHILOH MANUFACTURING HOLDINGS LLC,
an Ohio limited liability company

By: /s/ Lillian Etzkorn
Name: Lillian Etzkorn
Title: Treasurer

**ADMINISTRATIVE
AGENT:**

Bank of America, N.A.,
as Administrative Agent

By: /s/ Angela Larkin
Name: Angela Larkin
Title: Vice President

LENDER:

Bank of America, N.A.,
as a Lender, Swing Line Lender, Dutch Swing Line Lender and L/C
Issuer

By: /s/ David Komrska
Name: David Komrska
Title: Senior Vice President

LENDER:

JP Morgan Chase Bank, N.A.,
as a Lender

By: /s/ Erik Barragan
Name: Erik Barragan
Title: Vice President

LENDER:

CIBC BANK USA,
as a Lender

By: /s/ Robert Cheffins
Name: Robert Cheffins
Title: Associate Managing Director

LENDER: Compass Bank,
as a Lender

By: /s/ Jay Tweed
Name: Jay Tweed
Title: Senior Vice President

LENDER: The Huntington National Bank,
as a Lender

By: /s/ Brian H. Gallagher
Name: Brian H. Gallagher
Title: Managing Director

LENDER: BMO Harris Bank, N.A.,
as a Lender

By: /s/ Douglas Steen
Name: Douglas Steen
Title: Director

LENDER: KeyBank National Association,
as a Lender

By: /s/ Marc Evans
Name: Marc Evans
Title: Vice President

LENDER: Associated Bank, N.A.,
as a Lender

By: /s/ Viktor R. Gottlieb
Name: Viktor R. Gottlieb
Title: Senior Vice President

LENDER: Siemens Financial Services, Inc.,
as a Lender

By: /s/ Maria Levy
Name: Maria Levy
Title: Vice President

By: /s/ Michael L. Zion
Name: Michael L. Zion
Title: Vice President

**PRINCIPAL EXECUTIVE OFFICER'S CERTIFICATION PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ramzi Hermiz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shiloh Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ **Ramzi Hermiz**

Ramzi Hermiz
President and Chief Executive Officer

Date: June 10, 2019

**PRINCIPAL FINANCIAL OFFICER'S CERTIFICATION PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lillian Etzkorn, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shiloh Industries, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Lillian Etzkorn

Lillian Etzkorn
Senior Vice President and Chief Financial Officer

Date: June 10, 2019

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Shiloh Industries, Inc. (the "Company") on Form 10-Q for the three months ended April 30, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

Dated: June 10, 2019

/s/ Ramzi Hermiz

Ramzi Hermiz
President and Chief Executive Officer

/s/ Lillian Etzkorn

Lillian Etzkorn
Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.