

COMMERCIAL VEHICLE GROUP, INC.

Fourth Quarter 2019 Investor Presentation

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Forward Looking Statements

This presentation contains forward-looking statements that are subject to risks and uncertainties. These statements often include words such as “believe”, “anticipate”, “plan”, “expect”, “intend”, “will”, “should”, “could”, “would”, “project”, “continue”, “likely”, and similar expressions. In particular, this press release may contain forward-looking statements about Company expectations for future periods with respect to its plans to improve financial results and enhance the Company, the future of the Company’s end markets, including Class 8 and Class 5-7 North America truck build rates and performance of the global construction equipment business, expected cost savings, the Company’s initiatives to address customer needs, organic growth, the Company’s plans to focus on certain segments and markets and the Company’s financial position or other financial information. These statements are based on certain assumptions that the Company has made in light of its experience as well as its perspective on historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. Actual results may differ materially from the anticipated results because of certain risks and uncertainties, including but not limited to: (i) general economic or business conditions affecting the markets in which the Company serves; (ii) the Company's ability to develop or successfully introduce new products; (iii) risks associated with conducting business in foreign countries and currencies; (iv) increased competition in the medium- and heavy-duty truck markets, construction, agriculture, aftermarket, military, bus and other markets; (v) the Company’s failure to complete or successfully integrate strategic acquisitions and the impact of such acquisitions on business relationships; (vi) the Company’s ability to recognize synergies from the reorganization of the segments; (vii) the Company’s failure to successfully manage any divestitures; (viii) the impact of changes in governmental regulations on the Company's customers or on its business; (ix) the loss of business from a major customer, a collection of smaller customers or the discontinuation of particular commercial vehicle platforms; (x) the impact of disruptions in our supply chain or delivery chain; (xi) the Company’s ability to obtain future financing due to changes in the lending markets or its financial position; (xii) the Company’s ability to comply with the financial covenants in its debt facilities; (xiii) fluctuation in interest rates or change in the reference interest rate relating to the Company’s debt facilities; (xiv) the Company’s ability to realize the benefits of its cost reduction and strategic initiatives and address rising labor and materials costs; (xv) a material weakness in our internal control over financial reporting which could, if not remediated, result in material misstatements in our financial statements; (xvi) volatility and cyclicality in the commercial vehicle market adversely affecting us; (xvii) the geographic profile of our taxable income and changes in valuation of our deferred tax assets and liabilities impacting our effective tax rate; (xviii) changes to domestic manufacturing initiatives; (xix) implementation of tax or other changes, by the United States or other international jurisdictions, related to products manufactured in one or more jurisdictions where the Company does business; and (xx) various other risks as outlined under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for fiscal year ending December 31, 2018 and the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019. There can be no assurance that statements made in this presentation relating to future events will be achieved. The Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on behalf of the Company are expressly qualified in their entirety by such cautionary statements.

Commercial Vehicle Group - NASDAQ: CVGI

Who We Are

- ~$900 million global manufacturer to commercial vehicle industry
- Leading supplier of electrical wire harnesses, seating systems and other cab related products
- Growing provider of control panels and electro-mechanical assemblies

What We Do

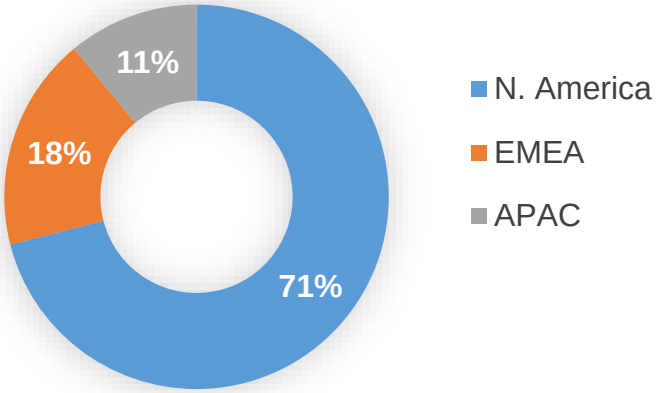
- Managing complexity for low- to mid-volume applications
- Engineering and design services for product development and validation
- Strategic geographic footprint, utilizing lean principles optimizes cost and service

How We Grow

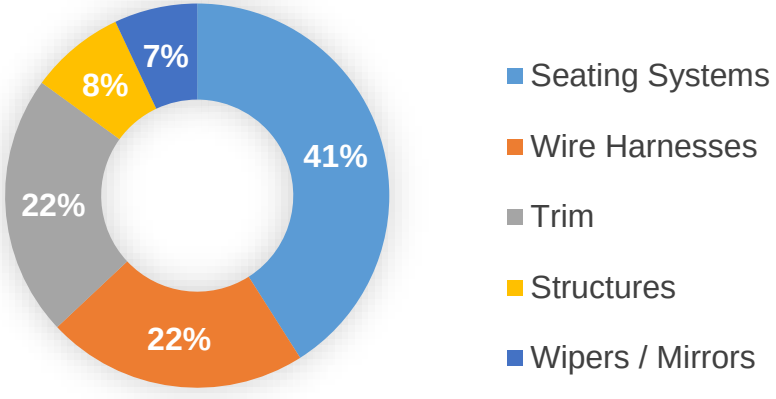
- Expanding product capabilities to support growth in electrification, power and data
- First Source Electronics (FSE) acquisition diversifies product offerings and end markets
- Enhancing speed and flexibility required in adjacent markets

2018 Sales

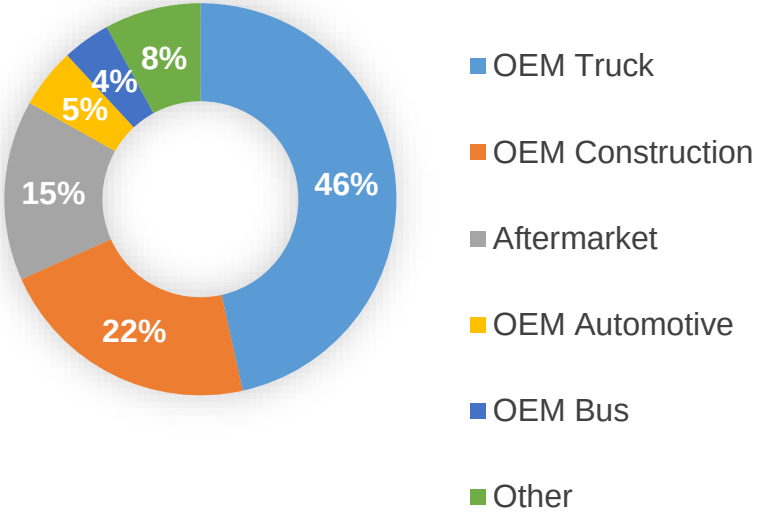
Region



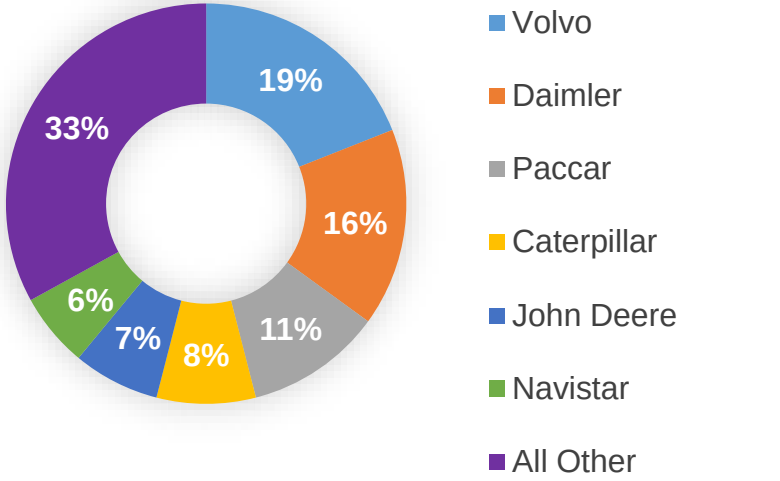
Product



End Market



Customer



VOLVO DAIMLER PACCAR CATERPILLAR JOHN DEERE

Products





Wire Harnesses & Controls







Seats & Seating Systems







Interior Trim



Wiper Systems, Mirrors & Controls





Cabs and Sleeper Boxes

FSE Overview

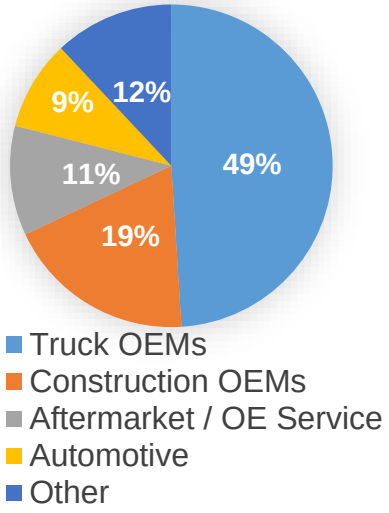
- Acquisition completed on September 17, 2019
- Aligns with CVG's business model and strategy
  - Focus on complex, low- to mid-volume applications
  - Product lines expand CVG's reach into the electronic space
- Products and capabilities include:
  - Military electronic devices and systems
  - Control panels
  - Electromechanical assemblies and controls
- Diversifies end markets with focus on:
  - Industrial automation
  - Transportation (rail and aerospace)
  - Military





Electrical Systems

Electrical Systems Segment:
Electrical wire harnesses and control panel assemblies for increasingly complex and content-rich electrical and data distribution systems in vehicles and other applications; trim products evolving to include electrical content

FY 2018 METRICS	MARKET SECTOR MIX (SALES)	PRODUCT PORTFOLIO
SALES **$513** million **OPERATING MARGIN** **11.5%**		Wire harness and panel assembly for an estimated $8.4B market* Interior Trim for an estimated $2.0B market*

** Management Estimate*

Growth Drivers – Electrical Systems

- **Macro Economic Trends -** Global electrical distribution market expected to grow 6.5% CAGR through 2023*
- **Diversification -** Adjacent market penetration in electric and traditional powertrain, industrial applications, military, rail and other applications
- **Digitalization and connectivity** - Growth of electrification, power and data usage drives harness and electro-mechanical content
- **Technology -** Integrated sensor technology, active electronics, embedded software and other power and data applications for trim products
- **Industry Trends -** Continued increase in composite materials inside the vehicle and more focus on styling for commercial applications

Next-Level Performance



* Bishop Incorporated 2018 Annual Report

Global Seating

Global Seating Segment:
Strong brand recognition in $3.1B addressable global market* (~$15B available market)* with established market position and new wins in Asia Pacific market

FY 2018 METRICS

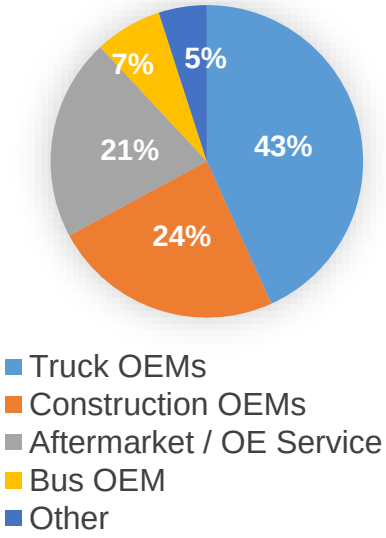
SALES

$398 million

OPERATING MARGIN

7.9%

MARKET SECTOR MIX (SALES)



PRODUCT PORTFOLIO

Seats and Seating Systems

Bostrom SEATING

KAB Seating

NATIONAL SEATING

STRATOS SEATING

**Management estimate, HIS, Millmark, MarketsAndMarkets*

Growth Drivers – Global Seating

- **Brand -** Strong brand recognition
- **Product Enhancements -** New modular seat product leverages product engineering, design and manufacturing capabilities across end markets; maintains functionality and styling options while reducing complexity and cost
- **Global Trends -** Increasing trend toward improved seating functionality, including style and quality in Asia Pacific
- **New Markets -** Recent new customer wins and expanding customer relationships in Asia Pacific
- **Footprint Expansion -** New facility in Thailand and distribution in Indonesia

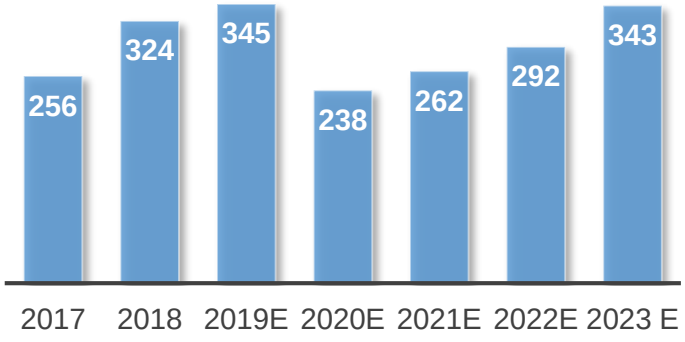


Expand Global Presence

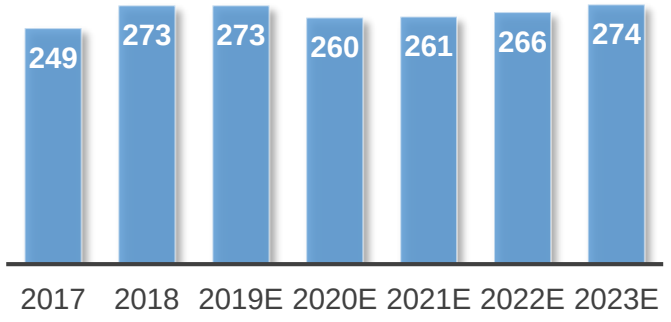


End Market Outlook - North America

Heavy-Duty Truck (Class 8) Build (000's)



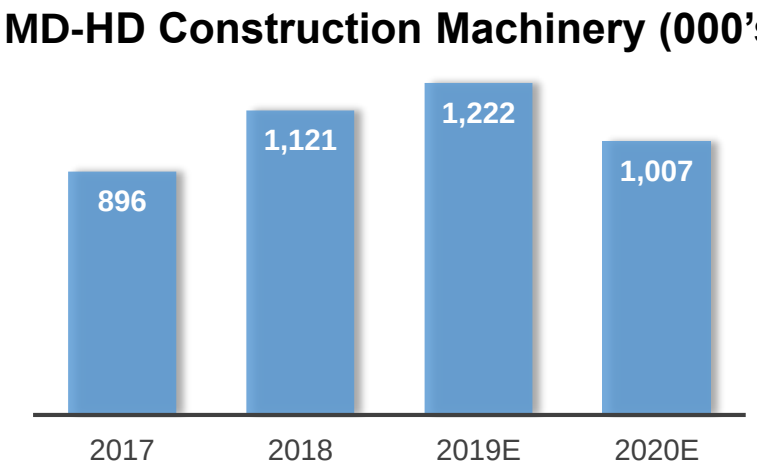
Medium-Duty Truck (Class 5-7) Build (000's)



Source: October 2019 ACT Research Report

- Class 8 build peaks in 2019, returns to replacement levels in 2020
  - Class 8 backlog ~133,000 units
- Class 5-7 build flat versus prior year; decline in 2020
- Taking actions to scale the business in anticipation of lower production levels

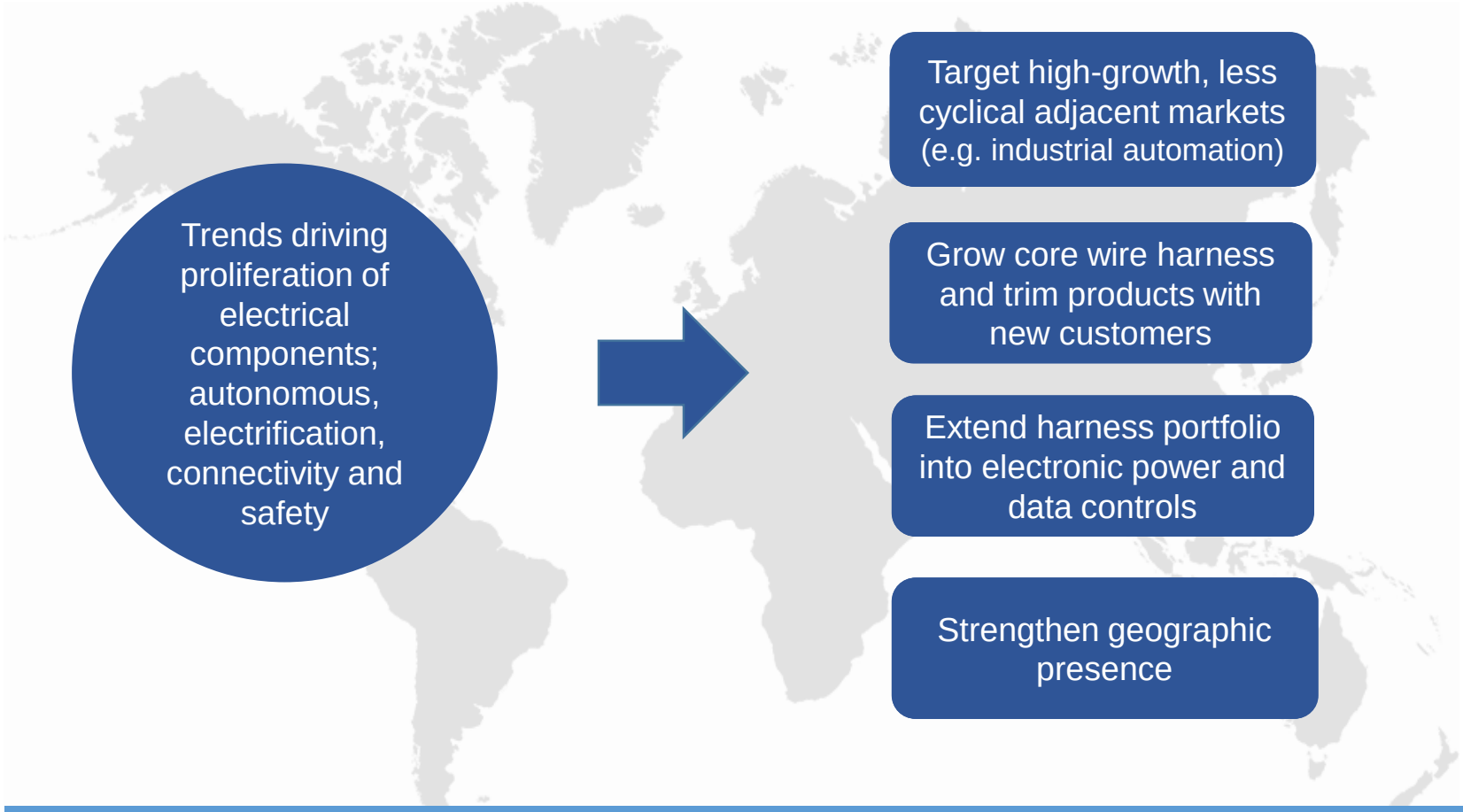
End Market Outlook – Global Construction Equipment



Source: Management estimates, Millmark, S&OP data

- Global MD-HD construction machinery growth driven by infrastructure and oil spending
  - Decline in production volumes in 2nd half of 2019 as retailer inventories are adjusted
- Global construction equipment production in 2020 likely influenced by outcome of trade and political uncertainty

Secular Growth Themes Drive Investment



Accelerate growth and shareholder value



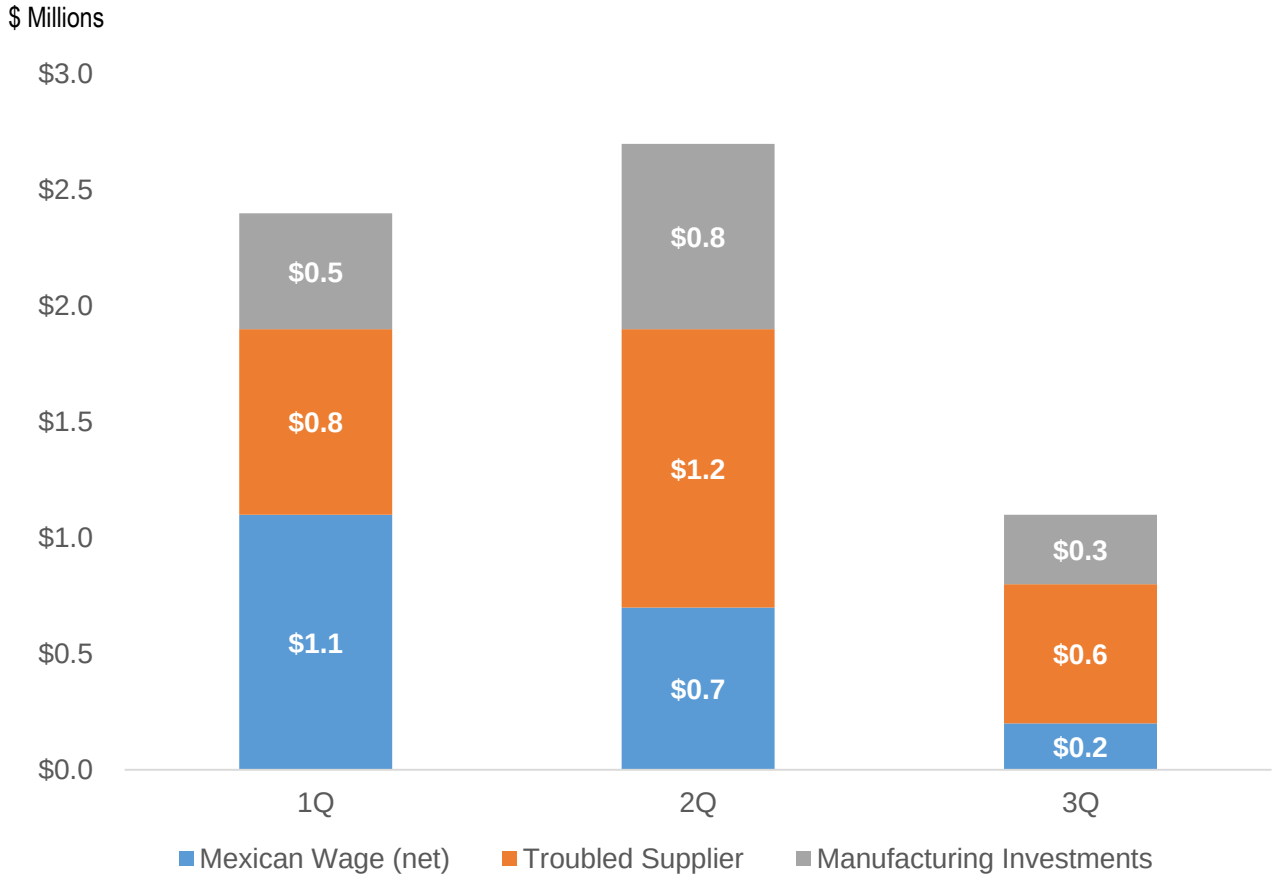
2019 Finance Update

Consolidated Statement of Income for Nine Months Ended September 30

$M except per share data	2019	2018	Change
Revenue	711.8	674.1	5.6%
Gross Profit	99.6	98.6	1.0%
Gross Margin	*14.0%*	*14.6%*	
SGA	49.0	45.2	8.4%
Operating Income	49.5	52.4	(5.6)%
Operating Margin	*7.0%*	*7.8%*	
Diluted Earnings Per Share	$ 0.87	$ 1.17	$ (0.30)

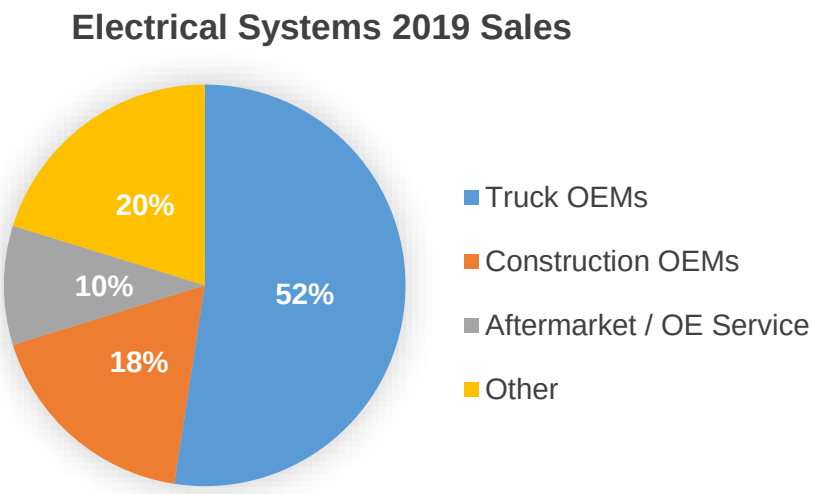
- Revenue up 5.6%
  - Strength in North American MD/HD truck, but now slowing
  - MD/HD construction equipment slowing
  - Foreign currency translation adversely impacted revenues by $10.1 million for the nine months ended September 2019
- Operating income lower
  - Mexico Border Minimum Wage
  - Impact of a troubled supplier on material costs and operations
  - Manufacturing investments for global wire harness and North American trim
  - SG&A increase for corporate development efforts and $0.9 million FSE acquisition costs

Cost Impacts Decline



- Actions taken to lessen the impact of headwinds, including pricing and cost-out initiatives, have been successful
- Manufacturing investments declining as projects progress and come online

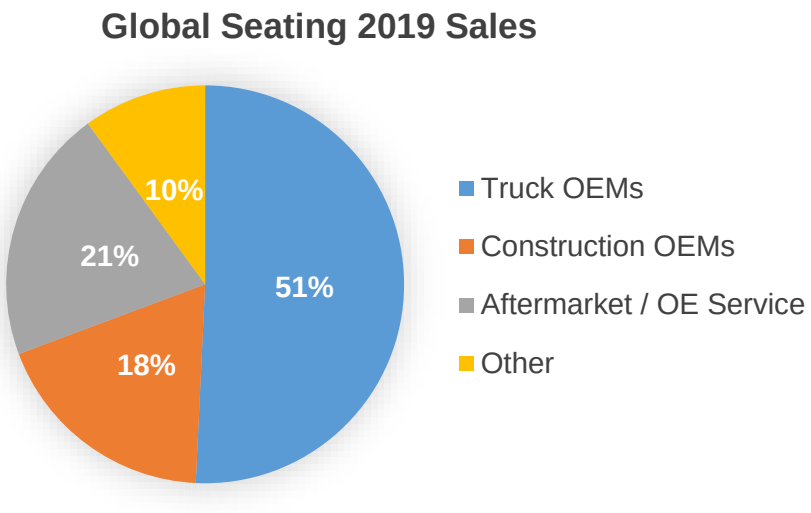
Electrical Systems Segment Results for Nine Months Ended September 30



$M	2019	2018	Change
Revenue	417.0	385.7	8.1%
Gross Profit	58.9	57.6	2.3%
Gross Margin	*14.1%*	*14.9%*	
SG&A	11.9	11.3	4.8%
Operating Income	46.4	45.7	1.5%
Operating Margin	*11.1%*	*11.9%*	

- Electrical Systems revenue increased 8.1% driven by end markets; FSE acquisition late in third quarter
  - Foreign currency translation adversely impacted revenue by $3.5 million over the first 3 quarters of 2019
- Operating income up notwithstanding:
  - Border Minimum Wage - $2.0 million
  - Troubled supplier - $2.6 million
  - Manufacturing investments - $1.6 million

Global Seating Segment Results for Nine Months Ended September 30



$M	2019	2018	Change
Revenue	305.1	298.3	2.4%
Gross Profit	40.8	41.5	(1.7)%
Gross Margin	*13.4%*	*13.9%*	
SG&A	15.6	16.9	(7.8)%
Operating Income	24.8	24.2	2.6%
Operating Margin	*8.1%*	*8.1%*	

- Global Seating revenue increased 2.4% driven by North America MD/HD truck, partially offset by softening in construction equipment market
  - Foreign currency translation adversely impacted revenue by $6.6 million over the first 3 quarters of 2019
- Maintaining operating income margins despite challenging cost environment

Disciplined Capital Management

Capital Structure

($M)	9/30/2019	9/30/2018
Cash	38.7	57.5
ABL Availability	70.5	63.3
Total Liquidity	109.2	120.8
Debt	162.1	169.5
TTM EBITDA	76.3	77.9
Gross Leverage	2.1x	2.2x
Net Leverage	1.6x	1.4x

See appendix for reconciliation of GAAP to Non-GAAP financial measures

Capital Allocation Priority

Liquidity

Growth

De-lever

Investment Highlights

- Leading supplier of electrical wire harnesses, seating systems and a full range of cab related components to the global commercial vehicle industry
- Recent acquisition of FSE diversifies product offerings and end markets
- Industry and secular trends support growth potential
- Expanding into adjacent markets to diversify business and mitigate impact of cyclicality
- Strong and growing global presence – 25 facilities across North America, Europe and Asia Pacific
- Strategic reorganization of businesses (Electrical & Seating) to realize synergies and to enhance organic growth opportunity
- FY 2018 revenue $898 million, operating margin 7.4% and free cash flow $27 million
- Solid balance sheet



Appendix

Use of Non-GAAP Measures

This presentation contains financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”).

Management uses these non-GAAP financial measures internally to evaluate the Company’s performance, engage in financial and operational planning and to determine incentive compensation. Management provides these non-GAAP financial measures to investors as supplemental metrics to assist readers in assessing the effects of items and events on the Company’s financial and operating results and in comparing the Company’s performance to that of its competitors and to comparable reporting periods. The non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies.

The non-GAAP financial measures disclosed by the Company should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP. The financial results calculated in accordance with GAAP and reconciliations to those financial statements set forth above should be carefully evaluated.

Reconciliation of GAAP to Non-GAAP Financial Measures

$ Millions	Trailing Twelve Months Ended September 30th, 2019	2018
Net Income	$ 35.7	$ 28.4
Interest	18.4	12.6
Provision for Income Taxes	7.6	21.2
Depreciation	13.2	14.4
Amortization	1.4	1.3
EBITDA	$ 76.3	$ 77.9

	As of September 30th, 2019	2018
Debt per Balance Sheet	$ 158.3	$ 164.6
Plus: Original Issue Discount	2.0	2.6
Plus: Prepaid Financing	1.8	2.4
Revolving Credit Facility	-	-
Gross Debt	$ 162.1	$ 169.5
Less: Cash	38.7	57.5
Net Debt	$ 123.4	$ 112.0
Divide by Trailing 12 Months EBITDA	$ 76.3	$ 77.9
Net Leverage	1.6x	1.4x