

Q1 2020 EARNINGS CONFERENCE CALL

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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 the short-term and potential longer-term impact of the COVID-19 pandemic on 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) a material weakness in our internal control over financial reporting which could, if not remediated, result in material misstatements in our financial statements; (ii) future financial restatements affecting the company; (iii) general economic or business conditions affecting the markets in which the Company serves; (iv) the Company's ability to develop or successfully introduce new products; (v) risks associated with conducting business in foreign countries and currencies; (vi) increased competition in the medium- and heavy-duty truck markets, construction, agriculture, aftermarket, military, bus and other markets; (vii) the Company’s failure to complete or successfully integrate strategic acquisitions and the impact of such acquisitions on business relationships; (viii) the Company’s ability to recognize synergies from the reorganization of the segments; (ix) the Company’s failure to successfully manage any divestitures; (x) the impact of changes in governmental regulations on the Company's customers or on its business; (xi) the loss of business from a major customer, a collection of smaller customers or the discontinuation of particular commercial vehicle platforms; (xii) the Company’s ability to obtain future financing due to changes in the lending markets or its financial position; (xiii) the Company’s ability to comply with the financial covenants in its debt facilities; (xiv) fluctuation in interest rates or change in the reference interest rate relating to the Company’s debt facilities; (xv) the Company’s ability to realize the benefits of its cost reduction and strategic initiatives and address rising labor and material costs; (xvi) volatility and cyclicality in the commercial vehicle market adversely affecting us, including the impact of the current COVID-19 pandemic; (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 (xx) security breaches and other disruptions that could compromise our information systems; (xxi) the impact of disruptions in our supply chain or delivery chains; (xxii) litigation against us; (xxiii) the impact of health epidemics or widespread outbreak of contagious disease; and (xxiv) 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, 2019. There can be no assurance that statements made in this press release 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.

Q1 2020 SNAPSHOT AND BUSINESS UPDATE

- **Business performed as expected prior to onset of pandemic**
- **Revenue of $187.1 million, compared to $243.2 million in 1Q 2019**
  - Cyclical decline in North American medium- and heavy-duty truck and global construction
  - FSE contributed $13 million in Q1 2020, strength in material handling and military
- **Adjusted operating income performance in line with expectations vs 1Q prior year and sequential improvements vs 4Q 2019**
- **$33.7 million pre tax special charges**
  - $28.9 million non-cash impairment, primarily goodwill
  - $2.4 million investigation
  - $2.3 million CEO transition
  - $0.1 million restructuring
- **At March 31, 2020, total liquidity was $114 million; $58 million of cash and $56 million of availability on the revolving line of credit**
- **Q2 Outlook**
  - Second quarter 2020 North American heavy-duty and medium-duty truck build expected to decline 65% to 75% as compared to the first quarter of 2020
  - Although the Company's other end markets are not expected to decline as dramatically, we expect revenues for the three months ending June 30, 2020 to be significantly lower than the three months ending March 31, 2020

COVID-19 RESPONSE

Health & Safety

- Remote working
- Facility closures
- Social distancing requirements including travel and group meeting restrictions
- Heightened cleaning and sanitizing processes
- Provided personal protective equipment
- Utilized idle facility to produce masks for employees and their families

Cost Reductions

- Compensation reductions
- Furloughs/ reductions in force
- Elimination of discretionary expenses
- Aggressively managing working capital
- Evaluating further cost reduction measures as necessary

Working Towards Recovery

- Working closely with customers to restart
- Preserving our capabilities to grow the business
- Capitalizing on growth opportunities in material handling and military applications
- Amended lender agreements for added flexibility

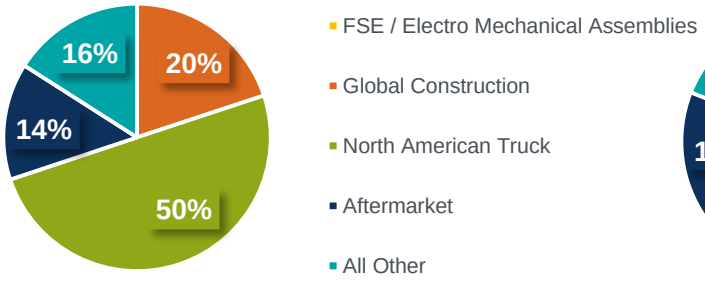
Positioned to emerge from the crisis in a stronger position

FSE IS GROWING

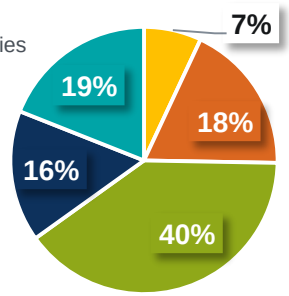
- Quarterly revenue grew 30% sequentially
- Surge in demand from industrial customers driven by increasing importance of e-commerce, and military
- Expanding production from one plant to three, using CVG facilities
- Healthy order book in FSE's core business
- FSE enhancing CVG sales diversification as expected

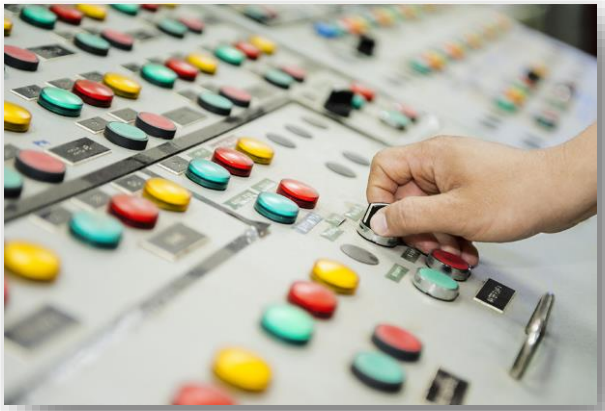


Q1 2019 CVG Sales



Q1 2020 CVG Sales

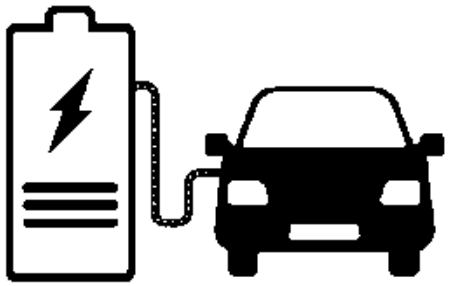




FSE acquisition improves diversification and growth opportunities

REMAIN COMMITTED TO STRATEGY

- Optimize performance of core business
- Capitalize on growth opportunities for parts of the business not as severely impacted by COVID-19
- Organic growth initiatives targeted at electric vehicles, last mile delivery, non-commercial vehicles
- Grow and expand material handling, military and other non-cyclical end markets





Focused on navigating near-term challenges, while positioning the business for long-term opportunities



FINANCE UPDATE

CONSOLIDATED FINANCIAL UPDATE

$ in millions except per share data

	Q1 2020	Q1 2019	$ Change
Revenue	**187.1**	243.2	(56.1)
Gross Profit	**20.3**	33.1	(12.8)
Gross Margin	***10.9%***	*13.6%*	
SGA	**17.1**	15.2	1.9
Amortization	**0.9**	0.3	0.6
Impairment	**28.9**	-	28.9
Operating (Loss)/Income	**(26.5)**	17.6	(44.1)
Operating Margin	***NM***	*7.2%*	
Diluted Earnings Per Share	**($0.80)**	$0.33	(1.13)
Adjusted Operating Income*	**7.1**	17.6	(10.5)
*Adjusted Operating Margin**	***3.8%***	*7.2%*	

**See reconciliation to non-GAAP financial measures in the appendix*

Q1 2020 Notes

- Q1 results in line with expectations
- Sharp declines in end markets compared to high production in prior year
- Special Charges $33.7 million
  - Non-cash impairment charges $28.9 million
  - Other special charges $4.8 million

ELECTRICAL SYSTEMS SEGMENT RESULTS

$ in millions

	Q1 2020	Q1 2019	$ Change
Revenue	**112.1**	143.6	(31.5)
Gross Profit	**10.9**	19.3	(8.4)
Gross Margin	***9.7%***	*13.5%*	
SGA	**4.0**	4.1	(0.1)
Amortization	**0.7**	0.2	0.5
Impairment	**23.4**	-	23.4
Operating (Loss)/Income	**(17.1)**	15.0	(32.1)
Operating Margin	***NM***	*10.4%*	
Adjusted Operating Income*	**6.3**	15.0	(8.7)
*Adjusted Operating Margin**	***5.6%***	*10.4%*	

**See reconciliation to non-GAAP financial measures in the appendix*

Q1 2020 Notes

- Revenue down 22% compared to prior year high production
- FSE contributed $13 million of revenue in Q1; growth in e-commerce material handling
- Non-cash impairment charge $23.4 million

GLOBAL SEATING SEGMENT RESULTS

$ in millions

	Q1 2020	Q1 2019	$ Change
Revenue	**76.0**	104.1	(28.1)
Gross Profit	**9.4**	13.8	(4.4)
Gross Margin	***12.3%***	*13.2%*	
SGA	**4.8**	5.3	0.5
Amortization	**0.1**	0.1	-
Impairment	**4.8**	-	4.8
Operating (Loss)/Income	**(0.4)**	8.3	(8.7)
Operating Margin	***NM***	*8.0%*	
Adjusted Operating Income*	**4.6**	8.3	(3.7)
*Adjusted Operating Margin**	***6.0%***	*8.0%*	

**See reconciliation to non-GAAP financial measures in the appendix*

Q1 2020 Notes

- Revenue down 27% compared to high production in prior year
- Significant operational improvements protected gross margin despite market headwinds
- Non-cash impairment charge $4.8 million

BALANCE SHEET

$ in millions

	Q1 2020	Q1 2019	$ Change
Cash	**58.1**	39.5	18.6
Accounts Receivable	**123.3**	115.1	8.2
Inventories	**84.5**	82.9	1.6
Other Assets	**165.3**	198.3	(33.0)
Total Assets	**431.2**	435.8	(4.6)
Accounts Payable	**73.6**	63.1	10.5
Debt (Current + Long Term)	**170.6**	156.4	14.2
Other Liabilities	**90.1**	87.6	2.5
Total Liabilities	**334.3**	307.1	27.2
Total Equity	**96.9**	128.7	(31.8)
Total Liabilities + Equity	**431.2**	435.8	(4.6)

Q1 2020 Notes

- Liquidity at March 31, 2020 was $114 million; $58 million of cash and $56 million of availability on revolver
- $15 million drawn on revolver at March 31, 2020
- Goodwill and asset write-down of $28.9 million



APPENDIX

USE OF NON-GAAP FINANCIAL MEASURES

This earnings presentation contains financial measures that are not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). In general, the non-GAAP measures exclude items that (i) management believes reflect the Company’s multi-year corporate activities; or (ii) relate to activities or actions that may have occurred over multiple or in prior periods without predictable trends. 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 – ADJUSTED OPERATING INCOME

$ Millions	For the Three Months Ended March 31, 2020			
	Electrical Systems	**Global Seating**	**Corporate**	**Total**
Operating Loss	**$ (17.1)**	**$ (0.4)**	**$ (9.0)**	**$ (26.5)**
CEO Transition			2.3	2.3
Restructuring		0.1	0.0	0.2
Investigation			2.4	2.4
Impairment	23.4	4.8	0.6	28.9
Adjusted Operating Income	**$ 6.3**	**$ 4.6**	**$ (3.7)**	**$ 7.1**
% Sales	5.6%	6.0%		3.8%

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES – ADJUSTED EBITDA

$ Millions	For the three months ended					Trailing twelve months ended	
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	March 31, 2020	March 31, 2019
Net Income	**10.0**	**6.1**	**7.2**	**(7.5)**	**(24.6)**	**(18.8)**	**42.0**
Interest	4.6	4.8	3.9	3.6	4.6	16.9	16.7
Provision for Income Taxes	3.2	2.2	0.5	(0.1)	(7.3)	(4.7)	7.7
Depreciation	3.4	3.0	3.4	3.8	3.8	14.0	13.9
Amortization	0.3	0.3	0.4	0.9	0.9	2.5	1.3
Impairment	-	-	-	-	28.9	28.9	-
EBITDA	**21.4**	**16.5**	**15.4**	**0.6**	**6.2**	**38.8**	**81.6**
Adjustments							
CEO Transition					2.3	2.3	
Restructuring				3.0	0.2	3.1	
Investigation					2.4	2.4	
FSE Acquisition Costs			0.9			0.9	
Non Cash Pension Charge		2.5				2.5	
Adjusted EBITDA	**21.4**	**19.0**	**16.3**	**3.5**	**11.0**	**49.9**	**81.6**