Sidoti Spring 2021 Virtual Conference

March 25, 2021

WE FIND A WAY



Forward-Looking Statements and Non-GAAP Financial Measures

These slides 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, these slides may contain forward-looking statements about the Company’s expectations for future periods with respect to its plans to improve financial results, the future of the Company’s end markets, including the short-term and long-term impact of the COVID-19 pandemic on our business, changes in the Class 8 and Class 5-7 North America truck build rates, performance of the global construction equipment business, the Company’s prospects in the wire harness, warehouse automation and electric vehicle markets, the Company’s initiatives to address customer needs, organic growth, the Company’s strategic plans and plans to focus on certain segments, competition faced by the Company, volatility in and disruption to the global economic environment 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 those included in the Company’s filings with the SEC. There can be no assurance that statements made in these slides 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.

Presented by



Harold Bevis
President and
Chief Executive Officer



Chris Bohnert
Chief Financial Officer
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Q4 & 2020 Highlights

CVG is growing its sales and adding new customers in both new and old markets to redefine and transform the business.

Q4 Net Sales	Q4 Operating Income	Q4 Adj. EBITDA	Q4 Diluted EPS	2020 New Business Awards
$216M	**$5.0M**	**$13.0M**	**$(0.13)**	**$100+M** Net Annualized
14% YoY	Versus $(4.3)M loss in Q42019	Versus $3.5M in Q42019	Versus $(0.24) in Q42019	Concentrated in diversified end markets
Driven by Warehouse Automation revenues				



Strategic Realignment

Jump-Started a New GamePlan for Growing Earnings and Diversifying Sales Mix



Launched New Approach to Gain New Customers

Goals are to improve secular growth exposure, increase sales diversification, and reduce business cyclicality risks

Net New Wins and 15% Annual Refurbishment Rate



Expanded in Warehouse Automation

Added multiple new products and new plant footprints

The Warehouse Automation revenue goal is to deliver more than $150 million in 2021



Expanded in Electric Vehicles

Development partner for many new Electric Vehicle platforms

Both new and existing customers



Reduced End Market Concentration

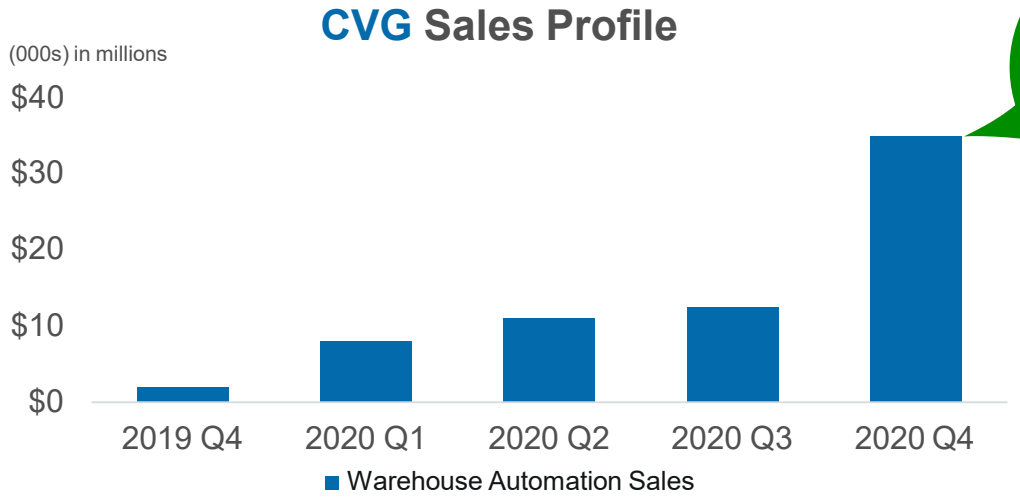
North American HD/MD Truck sales decreased from 49% of sales in 2019 to 35% of sales in 2020

Deliberate sales pipeline focus on improved customer mix

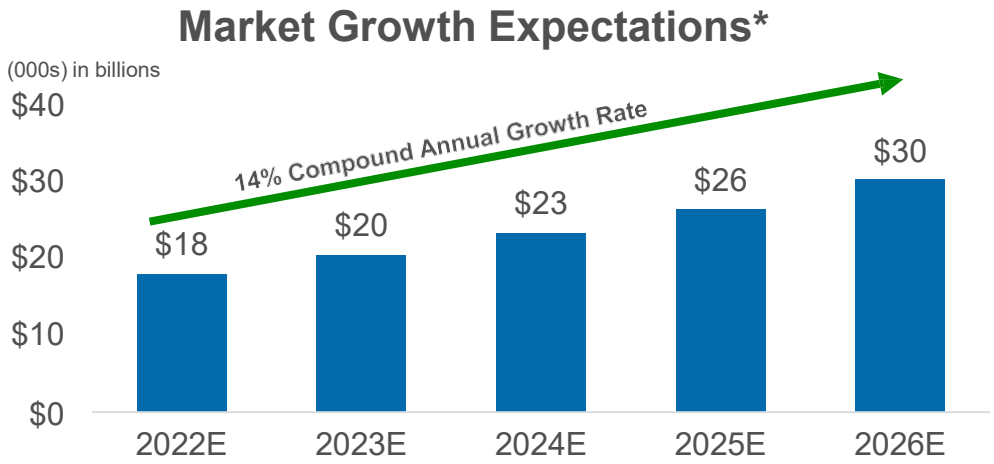
2021 Goal : $100 + million of Net New Growth



Warehouse Automation - The Company is Benefitting from Strong Industry Investment, New Products, New Capacity and New Wins



~16% of Total CVG Sales In Q4



*Source: Logistics IQ

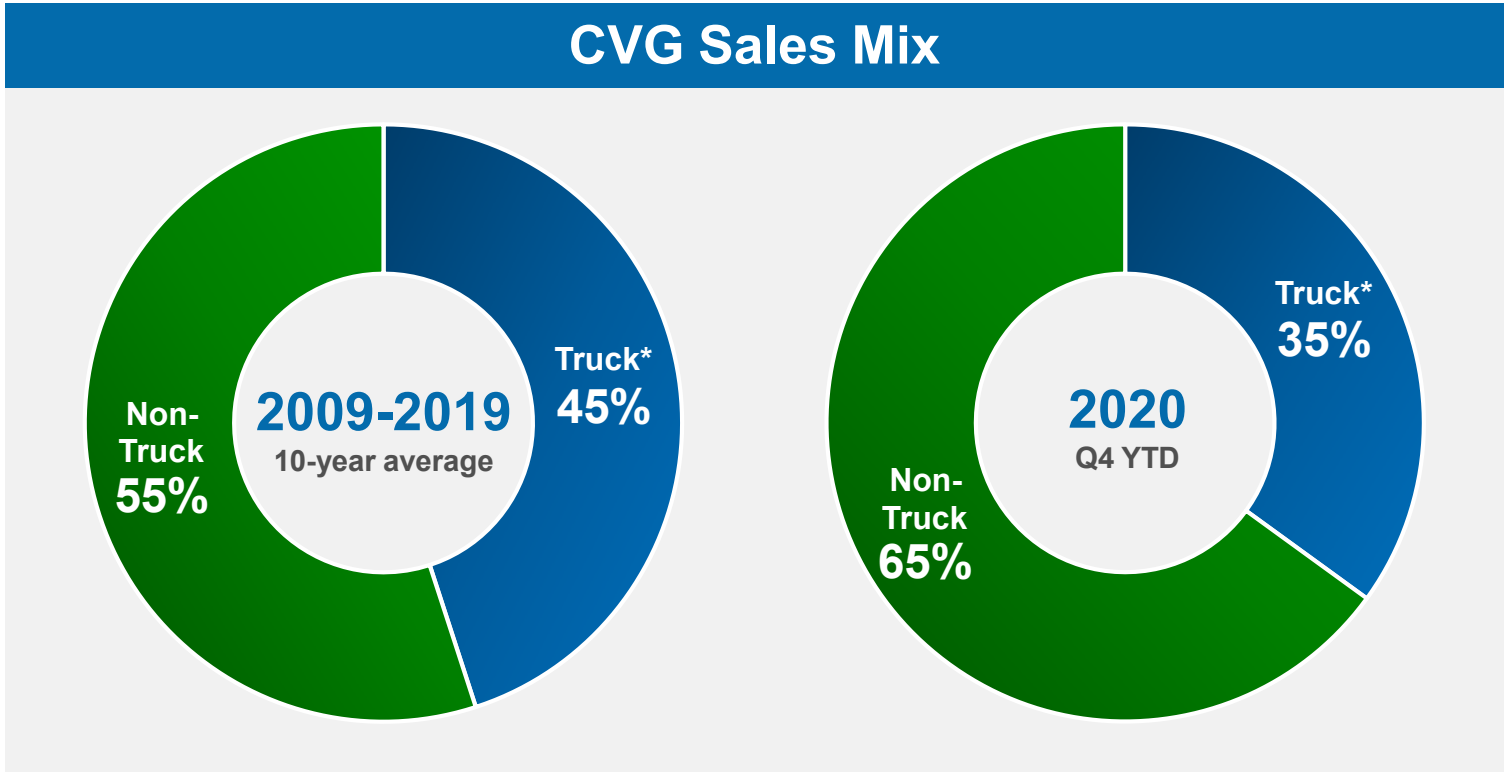


Electric Vehicle and Last Mile Progress

- Designing and delivering prototype products for awards won in 2020 and early 2021 for field trials and testing
- Securing development partner roles with design responsibilities for multiple vehicle OEs as the electrical systems integrator and/or Seating Supplier
  - These partner roles include prototype development of the vehicle solution and contingent awards for production
  - Awards are for high voltage electrical system (the power train), low voltage electrical system (the cab and chassis), and seating

CVG design engineers are being integrated into the customer teams

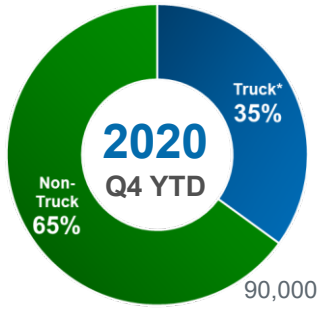
Increasing our Earnings Stability by Diversifying our Sales Mix



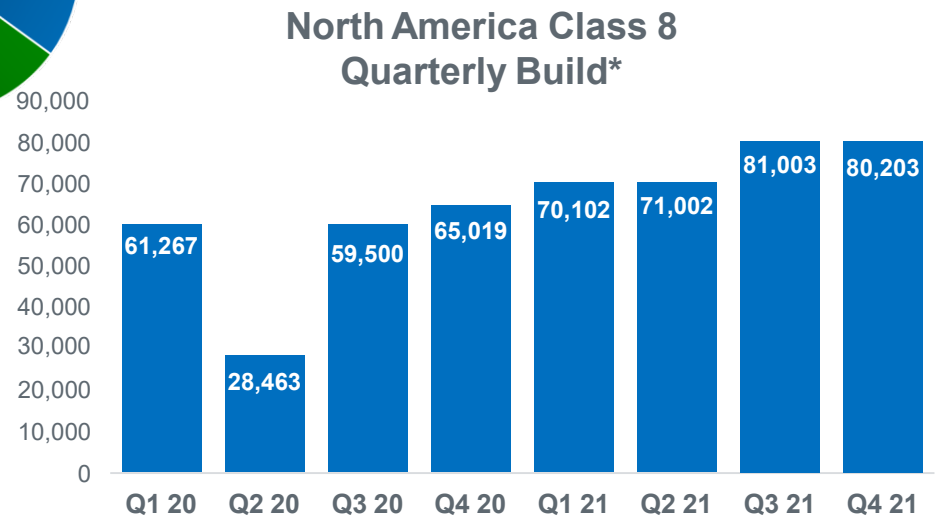
Strategic Focus Areas:

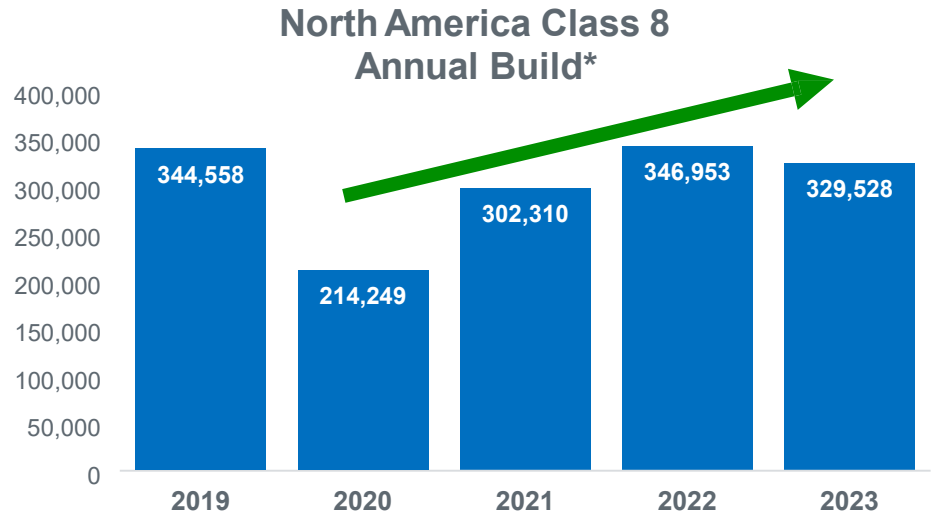
- Warehouse Automation systems
- Last Mile Delivery Vans
- Electric Vehicles
- Alternate markets for plastic parts and wire harnesses

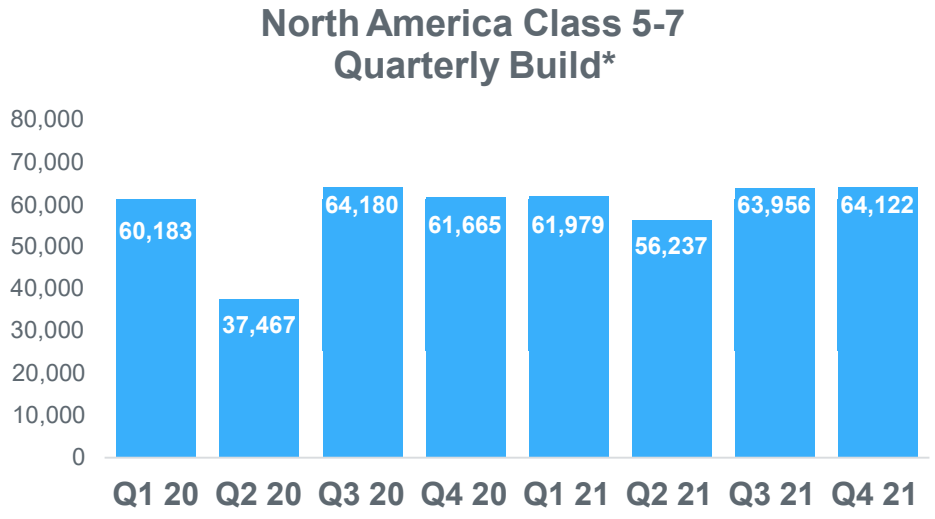
*CVG's approximate percentage of sales from North American Medium-duty and Heavy-duty internal combustion engine trucks

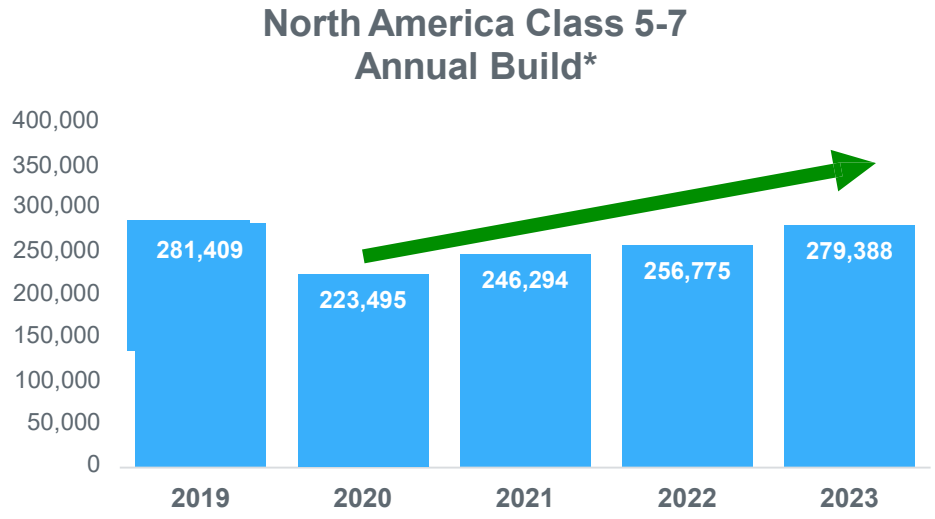


Market Outlook for North America Trucks









*Source: February 2021 ACT Research Report

2020 Results of our Focus on Gaining New Business and Improving our Mix

$100+ MILLION

Estimated value of Net annualized new business won in 2020

=

$400 + MILLION

Estimated value of new business through 2024

Many Awards with New Customers in new Segments on new Products

40+ New Awards in North America, Europe, India, China, Japan and Korea
Old and new markets & products, traditional & EV vehicle types

Goal is another $100+ million of Net New Annualized Business Awards in 2021



Conclusion

1. Grow earnings, improve revenue quality, increase sales diversification, and reduce business cyclicality risks
2. The Warehouse Automation market has become a significant part of our company, and we have organized to expand it and grow it
3. We are positioning ourselves to be a solutions provider to the global Electric Vehicle ecosystem
4. We are leveraging and optimizing our existing assets to capitalize on an improving North American Truck market



Financial Update

CVG Consolidated Results 4Q 2020 vs. 4Q 2019

In millions

Q4 2020	**Revenues** $216	**Gross Profit** $23.1 Gross Margin: 11%	**Adj. Operating Income** $8.3 Operating Margin: 4%	**Adjusted EBITDA** $13.0 EBITDA Margin: 6%
B / (W) Compared to Q4 2019	**Revenues** $26.5	**Gross Profit** $13.0 Gross Margin: 5%	**Adj. Operating Income** $9.6 Operating Margin: 5%	**Adjusted EBITDA** $9.4 EBITDA Margin: 4%

4Q 2020:

- Revenues up despite 4k unit decrease in ACT Class 8 builds vs. Q4 2019
- 48.9% incremental conversion on gross profit



Electrical Systems Segment 4Q 2020 vs. 4Q 2019

In millions

Q4 2020	Revenues	Gross Profit	Adj. Operating Income
	$138.6	$14.6 Gross Margin: 11%	$10.2 Operating Margin: 7%
B / (W) Compared to Q4 2019	Revenues	Gross Profit	Adj. Operating Income
	$24.7	$8.8 Gross Margin: 5%	$7.0 Operating Margin: 5%

4Q 2020:

- Sales grew $25 million over Q4 2019 driven by warehouse automation growth
- 35.8% incremental conversion on gross profit



Global Seating Segment 4Q 2020 vs. 4Q 2019

In millions

Q4 2020	**Revenues** $79.1	**Gross Profit** $8.5 Gross Margin: 11%	**Adj. Operating Income** $2.1 Operating Margin: 3%
B / (W) Compared to Q4 2019	**Revenues** $2.6	**Gross Profit** $4.1 Gross Margin: 5%	**Adj. Operating Income** $2.2 Operating Margin: 3%

4Q 2020:

- Increase in sales despite decrease in ACT Class 8 Builds vs. Q4 2019
- Nearly doubled gross profit on similar sales





Supplemental Information

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 are set forth in the supplemental information.

CVG Consolidated Results 4Q 2020 vs. 4Q 2019

(In millions except for share information)	**Q4 2020**	**Q4 2019**
Revenue	216.0	189.5
Gross Profit	23.1	10.2
Gross Margin	*11%*	*5%*
Selling, General & Administrative Expense	17.3	13.6
Amortization Expense	0.9	0.9
Operating Income	5.0	(4.3)
Operating Margin	*2%*	*-2%*
Diluted Earnings per share	(0.13)	(0.24)
Adjusted Operating Income	8.3	(1.3)
Adjusted Operating Margin	*4%*	*-1%*
Adjusted EBITDA	13.0	3.5
Adjusted EBITDA Margin	*6%*	*2%*
Diluted Adjusted Earnings per share	(0.05)	(0.17)

Electrical Systems Segment 4Q 2020 vs. 4Q 2019

(In millions)	**Q4 2020**	**Q4 2019**
Revenue	138.6	113.9
Gross Profit	14.6	5.8
Gross Margin	*11%*	*5%*
Selling, General & Administrative Expense	6.1	4.0
Amortization Expense	0.7	0.7
Operating Income	7.8	1.1
Operating Margin	*6%*	*1%*
Adjusted Operating Income	10.2	3.2
Adjusted Operating Margin	*7%*	*3%*

Global Seating Segment 4Q 2020 vs. 4Q 2019

(In millions)	**Q4 2020**	**Q4 2019**
Revenue	79.1	76.5
Gross Profit	8.5	4.4
Gross Margin	*11%*	*6%*
Selling, General & Administrative Expense	6.4	4.9
Amortization Expense	0.1	0.1
Operating Income	2.0	(0.6)
Operating Margin	*3%*	*-1%*
Adjusted Operating Income	2.1	(0.1)
Adjusted Operating Margin	*3%*	*0%*

CVG Consolidated Balance Sheet

(In millions)	Year End 2020	Year End 2019
ASSETS		
Cash	$ 50.5	$ 39.5
Accounts receivable, net	151.1	115.1
Inventories	91.2	82.9
Other assets	161.6	198.3
Total Assets	**454.4**	**435.8**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	112.4	63.1
Debt (Current + Long Term)	146.6	156.4
Accrued Liabilities	40.8	32.7
All other liabilities	59.2	55.0
Total liabilities	359.0	307.1
Total stockholders' equity	95.4	128.7
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**454.4**	**435.8**

Q4 2020 Highlights

Liquidity $138.9 million

$10 million in debt pre-payments during 2020

$5 million improvement in operating working capital

Receivables, Inventory, Payables increase due to business growth

Reconciliation of GAAP to Non-GAAP Financial Measures

(in millions)	Q4 2020	Q4 2019
Operating Income/(Loss)	**$ 5.0**	**$ (4.3)**
Deferred Consideration Purchase Accounting	1.0	-
Restructuring	1.6	3.0
Investigation	0.7	-
Adjusted Operating Income/(Loss)	**8.3**	**(1.3)**
% of Revenues	*4%*	*-1%*
Net Income	(4.1)	(7.5)
Interest Expense	5.2	3.6
Provision (benefit) for income taxes	3.9	(0.1)
Depreciation Expense	3.8	3.8
Amortization Expense	0.9	0.9
EBITDA	9.7	0.6
% of Revenues	*4%*	*0%*
EBITDA Adjustments		
Restructuring	1.6	3.0
Deferred consideration purchase accounting	1.0	-
Investigation	0.7	-
Adjusted EBITDA	13.0	3.5
% of Revenues	*6%*	*2%*

Reconciliation of GAAP to Non-GAAP Segment Information

For the Three Months December 31, 2020

(in millions)	Electrical Systems	Global Seating	Corporate	Total
Operating Income/(Loss)	**$ 7.8**	**$ 2.0**	**$ (4.8)**	**$ 5.0**
Deferred Consideration Purchase Accounting	1.0	-	-	1.0
Restructuring	1.5	0.1	0.1	1.6
Investigation	-	-	0.7	0.7
Adjusted Operating Income/(Loss)	**$ 10.2**	**$ 2.1**	**$ (4.0)**	**$ 8.3**
Adjusted Operating Margin	*7%*	*3%*		*4%*

For the Three Months Ended December 31, 2019

(in millions)	Electrical Systems	Global Seating	Corporate	Total
Operating Income/(Loss)	**$ 1.1**	**$ (0.6)**	**$ (4.8)**	**$ (4.3)**
Restructuring	2.2	0.5	0.3	3.0
Adjusted Operating Income/(Loss)	**$ 3.2**	**$ (0.1)**	**$ (4.4)**	**$ (1.3)**
Adjusted Operating Margin	*3%*	*0%*		*-1%*

Reconciliation of GAAP to Non-GAAP Cash Flow Information

(in millions)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Cash Flow from Operations	$ 10.3	$ 10.1	$ 10.4	$ 3.6	**$ 34.4**
Capital Expenditures	(3.4)	(1.0)	(1.0)	(1.0)	(6.4)
Free Cash Flow	**$ 6.9**	**$ 9.1**	**$ 9.4**	**$ 2.6**	**$ 28.0**

Reconciliation of GAAP to NON-GAAP Financial Measures – Adjusted EBITDA

(in millions)	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Net income	**$ 10.0**	**$ 6.1**	**$ 7.2**	**$ (7.5)**	**$ (24.6)**	**$ (12.5)**	**$ 4.2**	**$ (4.1)**
Interest	4.6	4.8	3.9	3.6	4.6	5.3	5.5	5.2
Provision / (Benefit) for Income Taxes	3.2	2.2	0.5	(0.1)	(7.3)	(3.1)	(1.0)	3.9
Depreciation	3.4	3.0	3.4	3.8	3.8	3.7	3.8	3.8
Amortization	0.3	0.3	0.4	0.9	0.9	0.9	0.9	0.9
Impairment	-	-	-	-	28.9	0.2	-	-
EBITDA	**21.4**	**16.5**	**15.4**	**0.6**	**6.2**	**(5.6)**	**13.3**	**9.7**
Adjustments								
CEO Transition					2.3			
Restructuring				3.0	0.2	2.9	2.2	1.6
Investigation					2.4	0.4	0.5	0.7
FSE Acquisition Costs			0.9					
Deferred Consideration Purchase Accounting						3.5	0.5	1.0
Non-Cash Pension Charge		2.5						
Adjusted EBITDA	**21.4**	**19.0**	**16.3**	**3.6**	**11.0**	**1.2**	**16.4**	**13.0**

Reconciliation of GAAP to NON-GAAP Financial Measures – Diluted EPS

(in millions except for share information)		Three Months Ended December 31, 2020		Three Months Ended December 31, 2019
Net Income/(Loss)	**$**	**(4.1)**	**$**	**(7.5)**
Operating income (loss) adjustments		3.3		3.0
Non-cash pension expense		-		-
Adjusted (benefit) provision for income taxes[1]		(0.8)		(0.7)
Adjusted net Income/(Loss)	**$**	**(1.6)**	**$**	**(5.3)**
Diluted EPS	**$**	**(0.13)**	**$**	**(0.24)**
Adjustments to diluted EPS		0.08		0.07
Adjusted diluted EPS	**$**	**(0.05)**	**$**	**(0.17)**

1: Reported Tax (Benefit) Provision adjusted for tax effect of special charges at 25%