

Earnings Presentation

Q1 – 2022
May 5, 2022

Harold Bevis – President & Chief Executive Officer
Chris Bohnert - Chief Financial Officer

Forward Looking Statements and Non-GAAP Financial Measures

These slides contain 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 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 and the global supply chain, 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, including inflation and labor shortages 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 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.

See slide 17 for use of non-GAAP financial measures.

Q1 2022 Highlights

FINANCIAL HIGHLIGHTS

NET SALES
$244.4
MILLION

ADJUSTED EBITDA
$13.5
MILLION

ADJUSTED OPERATING INCOME
$8.4
MILLION

DILUTED ADJ. EPS
$0.16

Note: US GAAP net income attributable to Commercial Vehicle Group, Inc. was $4M for Q1 FY22. GAAP diluted earnings per share was $0.12 for Q1 FY22.

BUSINESS HIGHLIGHTS

AWARDED
11
additional **hybrid** and **electric vehicle** customers in the last two years.

NEW BUSINESS AWARDS
$89
MILLION IN Q1
estimated annualized value.

PRICE INCREASE
agreements reached with **top two customers**, who represent approximately
30%
of revenue.



Pricing, Inflation and Investments

Pricing

- Completed negotiations on two large legacy contracts.
- Resulting in the expectation of improved performance in second half of 2022.
- Continuing to increase prices in all segments.



Inflation

- At fastest pace in 40 years.
- CVG is primarily impacted by steel, ocean freight, and labor cost increases.
- Demands on supply chain have continued to increase input costs in many sectors.



Investments for the Future

- $3.1 million of new business startup costs primarily related to electric vehicles.
- Additional investment in plant optimization.
- Research and development underway in electrification and seating.



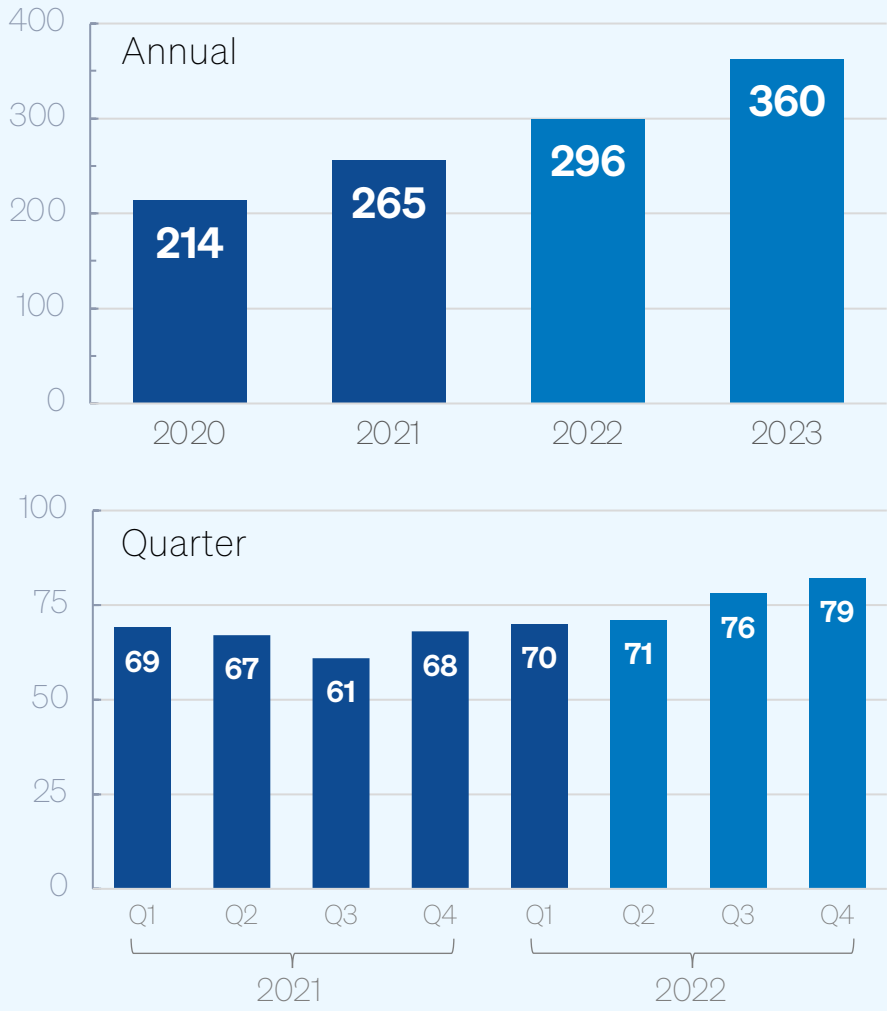
North American Class 8 Truck Market



- Q1 22 class 8 truck build up sequentially vs Q4 21 but flat year over year.
- Global conversion to EV and Fuel Cell away from ICE is expected to disrupt legacy market dynamics.
- CVG ramping up as electric vehicle supplier in 2022.
- Every 10,000 ICE trucks built equals $13 million sales for CVG.
- Supply chain constraints will likely pressure Class 8 builds in 2022 below industry expectations.
- CVG estimates 2022 build rate between 275,000 – 295,000.

NA Class 8 Truck Build Outlook*

(in thousands)



**Per April 2022 ACT Research Report*

Electrification and Technology Development

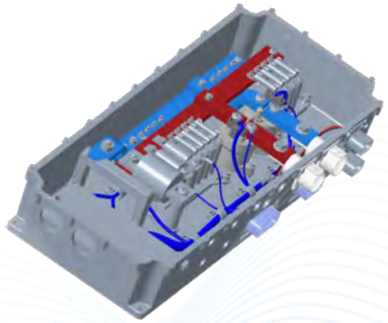
Electrification

- New Center for Engineering Innovation in Phoenix, AZ, set to open this summer.
- Customer segments: electric vehicles, connectivity, technology, healthcare, aerospace, consumer devices.

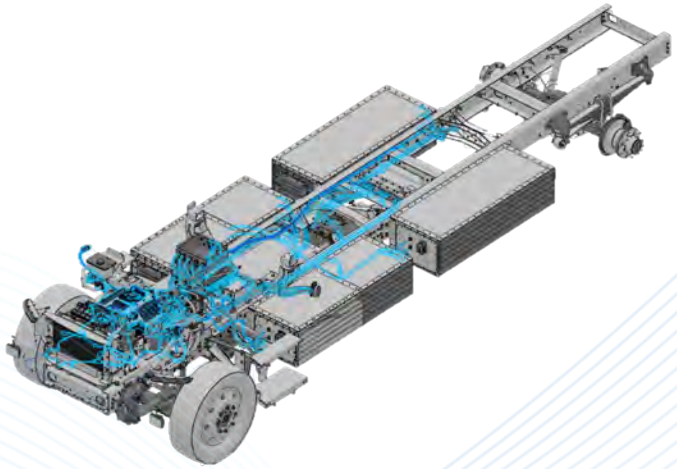


Electric Vehicle Systems

- Custom designed high and low voltage distribution boxes.
- Engineered design of high and low voltage wire harnesses.



Distribution box



Wire harness distribution on EV truck frame

Unity – Next Generation Seating Platform

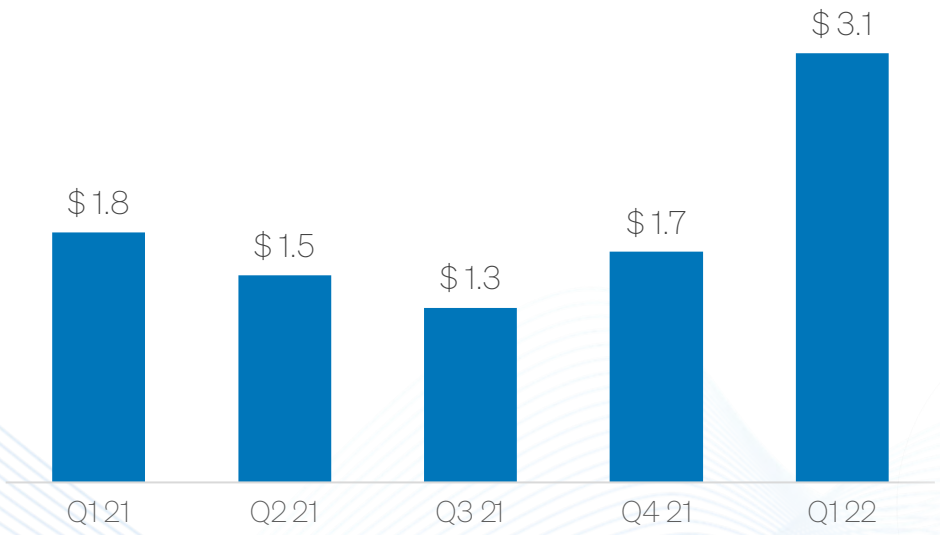
- Unity seats are modular - improves cost management, quality, resources and investment optimization.
- Unity seat production lines launched in China, Mexico and U.S.
- Diversifying into EV market & start-ups as well as Asia & EU truck markets.
- Aftermarket website launching in second half of 2022.



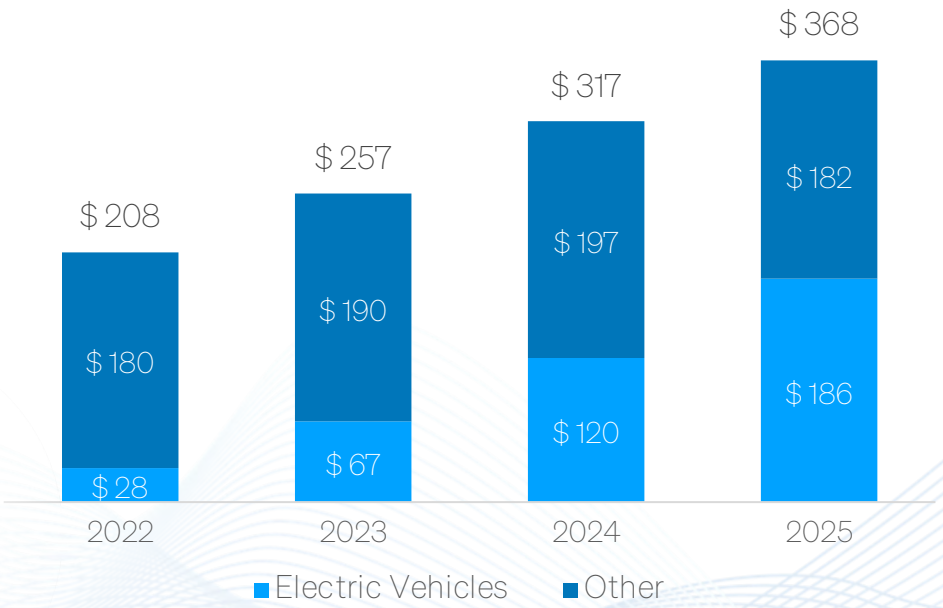
New Business Startup Costs and Sales Ramp

- CVG continuing to invest in new business as it prepares for growth in electric vehicles and other new business.
- Won an additional $89 million of new business in Q1 adding to our existing wins; now totaling more than $500 million when fully ramped up.

New Business Start Up Costs



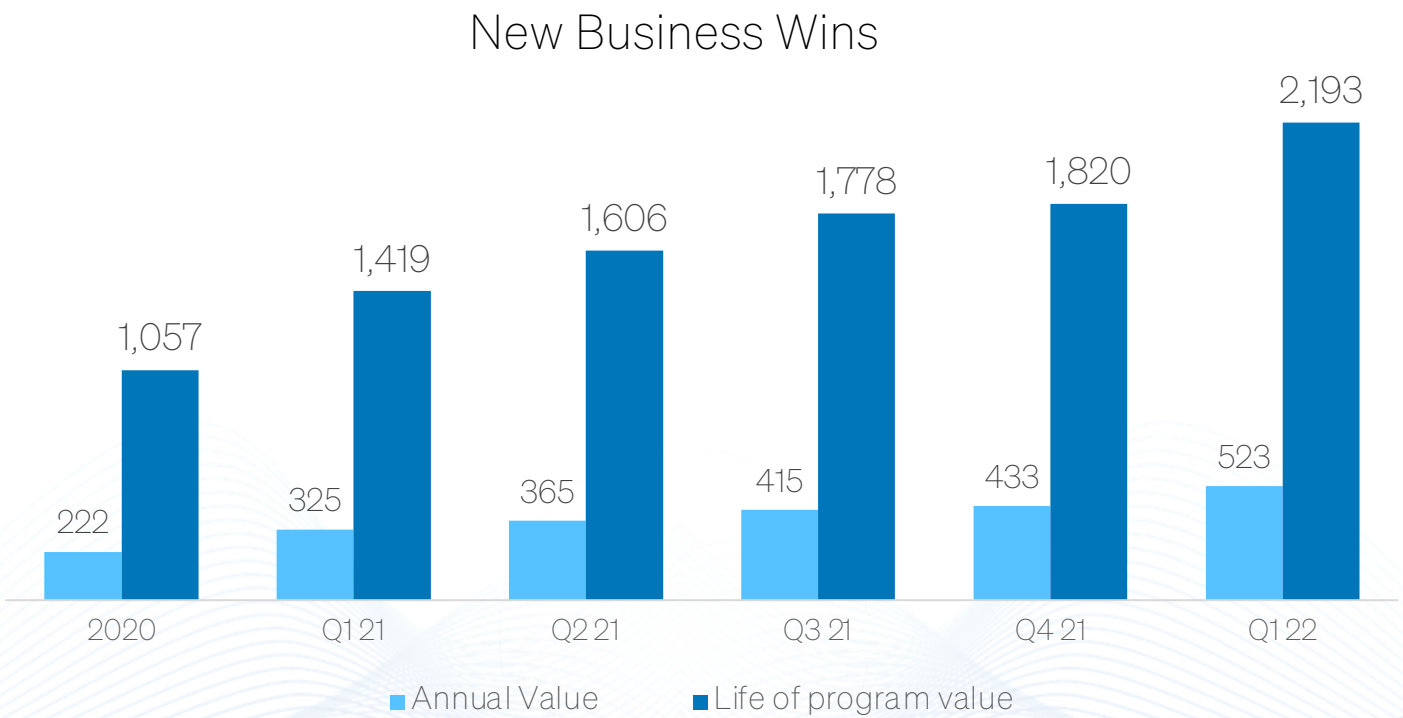
New Business Sales Ramp 2022-2025



*all numbers in millions

Secured > $2 Billion of Lifetime Revenue

- Strengthening the company's revenue profile with new markets, customers and products.
- Organic growth has exceeded expectations.



*all numbers in millions

2022 Initiatives to Drive Shareholder Value



Win New Business

- Grow Earnings.
- Improve revenue mix.
- Incurring startup costs for future growth.



Vertical Integration

- Decrease China supply chains.
- Increase value proposition.



Debt Paydown

- Pay down $25-40 million in debt.
- Leverage ratio expected to decrease to 1.8x – 1.6x.



Core Business Optimization

- Improve pricing strategy and contractual agreements.

Corporate Responsibility

Increase diversity, equity and inclusion

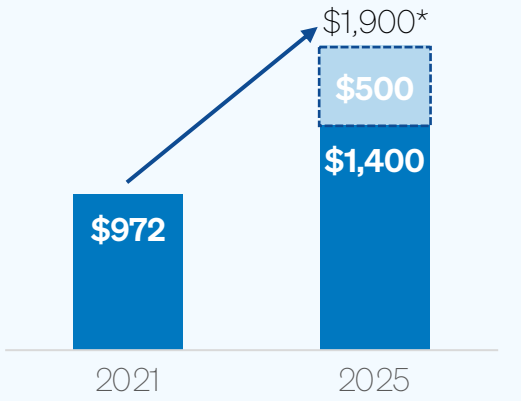
Increase community involvement

Reduce carbon footprint

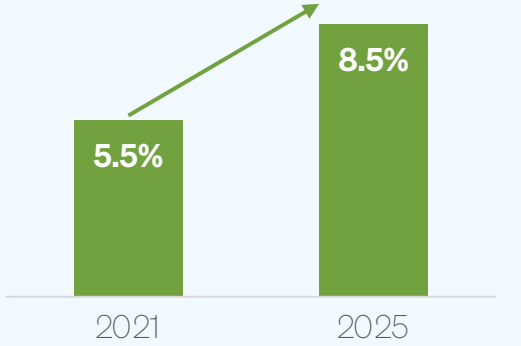
2025 Roadmap

Revenue

(in millions)



Adjusted OI Margin



**assumes $500 million additional wins consistent with past 27 months and modest truck build.*

Strengthen the company's revenue profile with accretive new business that increases the company's value proposition and decreases its legacy customer dependence.

Improve the company's legacy business, renegotiate contracts, improve profitability.

Improve the company's balance sheet, increase free cash flow, pay down debt.



Financial Review

Q1 - 2022
May 5, 2022

First Quarter Results

GAAP Measures

(in millions except for share information)	Three Months Ended March 31 2022	2021
Revenue	$ 244.4	$ 245.1
Operating Income	8.4	15.4
Operating Income Margin	3.4%	6.3%
Diluted EPS	0.12	0.26

NON-GAAP Measures

(in millions except for share information)	Three Months Ended March 31 2022	2021
Adjusted EBITDA	$ 13.5	$ 21.1
Adjusted EBITDA Margin	5.5%	8.6%
Adjusted Diluted EPS	0.16	0.27
Free Cash Flow	(25.0)	(17.1)

Segment Results

For the Three Months Ended March 31, 2022 (in millions)

	Net Sales 2022	Net Sales 2021	Adjusted Operating Income 2022	Adjusted Operating Income 2021
Vehicle Solutions	$ 140.2	$ 124.3	$ 6.5	$ 7.5
Warehouse Automation	34.1	44.4	4.1	4.2
Electrical Systems	39.9	46.5	1.8	4.9
Aftermarket & Accessories	30.2	29.9	3.1	4.2



Q&A

Q1 – 2022

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Appendix

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Ukraine Update

CVG responded quickly in Ukraine to support its team and customers.

- L'viv plant is located on the far west of Ukraine and operating at near capacity.
- Annually, Ukraine represents $50 million in revenue and $3 million in EBITDA.
- As a safety net, CVG opened two new facilities in the Czech Republic.
- Strong partnership with our customers and employees who "Found a Way".







Indicates CVG facility

The press release can be read here.

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.

Reconciliation of GAAP to Non-GAAP Financial Measures

(in millions)	Q1 2022	Q1 2021
Operating Income	**8.4**	**15.4**
Deferred Consideration Purchase Accounting	0.1	0.2
Restructuring	1.0	-
Investigation	-	0.2
Adjusted Operating Income	**9.5**	**15.8**
% of Revenues	3.9%	6.5%
Net Income/(Loss)	**4.0**	**8.5**
Interest Expense	2.0	5.0
Provision (benefit) for income taxes	1.4	2.5
Depreciation Expense	3.5	3.8
Amortization Expense	0.9	0.9
EBITDA	**11.8**	**20.7**
% of Revenues	4.8%	8.4%
EBITDA Adjustments		
Deferred consideration purchase accounting	0.1	0.2
Restructuring	1.0	-
Investigation	-	0.2
Hryvnia fair value adjustments on forward exchange contracts	0.6	-
Adjusted EBITDA	**13.5**	**21.1**
% of Revenues	5.5%	8.6%

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

(in millions)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Net income/(Loss)	**(12.5)**	**4.2**	**(4.1)**	**8.5**	**5.1**	**7.5**	**2.6**	**4.0**
Interest	5.3	5.5	5.2	5.0	2.8	1.6	1.7	2.0
Provision / (Benefit) for Income Taxes	(3.1)	(1.0)	3.9	2.5	1.5	2.4	1.9	1.4
Depreciation	3.7	3.8	3.8	3.8	3.8	3.7	3.8	3.5
Amortization	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Impairment	0.2	-	-	-	-	-	-	-
EBITDA	**(5.6)**	**13.3**	**9.7**	**20.7**	**14.1**	**16.1**	**10.9**	**11.8**
Adjustments								
Executive Transition	-	-	-	-	-	0.7	-	-
Restructuring	2.9	2.2	1.6	-	-	-	1.9	1.0
Investigation	0.4	0.5	0.7	0.2	0.2	-	-	-
Deferred consideration purchase accounting	3.5	0.5	1.0	0.2	0.1	0.1	0.1	0.1
Loss on extinguishment of debt	-	-	-	-	7.2	-	-	-
Hryvnia fair value adjustments on forward exchange contracts	-	-	-	-	-	-	-	0.6
Adjusted EBITDA	**1.2**	**16.5**	**13.0**	**21.1**	**21.6**	**16.9**	**12.9**	**13.5**

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

(in millions except for share information)	Q1 2022	Q1 2021
Net income/(Loss)	**4.0**	**8.5**
Operating income (loss) adjustments	1.1	0.4
Hryvnia fair value adjustments on forward exchange contracts	0.6	-
Adjusted (benefit) provision for income taxes[1]	(0.4)	(0.1)
Adjusted net income (loss)	**5.3**	**8.8**
Diluted EPS	**0.12**	**0.26**
Adjustments to diluted EPS	0.04	0.01
Adjusted diluted EPS	**0.16**	**0.27**

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

Segment GAAP to Non GAAP QTD

For the Three Months Ended March 31, 2022						
(in millions)	**Vehicle Solutions**	**Warehouse Automation**	**Electrical Systems**	**Aftermarket & Accessories**	**Corporate**	**Total**
Operating Income/(Loss)	6.3	3.7	1.8	2.6	(6.0)	8.4
Deferred consideration purchase accounting	-	0.1	-	-	-	0.1
Restructuring	0.2	0.3	-	0.5	-	1.0
Investigation	-	-	-	-	-	-
Adjusted Operating Income/(Loss)	**6.5**	**4.1**	**1.8**	**3.1**	**(6.0)**	**9.5**
Adjusted Operating Income/(Loss)	4.7%	12.0%	4.4%	10.1%		3.9%

For the Three Months Ended March 31, 2021						
(in millions)	**Vehicle Solutions**	**Warehouse Automation**	**Electrical Systems**	**Aftermarket & Accessories**	**Corporate**	**Total**
Operating Income/(Loss)	7.5	3.9	4.9	4.2	(5.0)	15.4
Deferred consideration purchase accounting	-	0.3	-	-	-	0.3
Restructuring	-	-	-	-	-	-
Investigation	-	-	-	-	0.1	0.1
Adjusted Operating Income/(Loss)	**7.5**	**4.2**	**4.9**	**4.2**	**(4.8)**	**15.85**
Adjusted Operating Income/(Loss)	6.0%	9.4%	10.5%	13.9%		6.5%

Reconciliation of GAAP to Non-GAAP Cash Flow Information

(in millions)	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Cash Flow from Operations	$ 10.1	$ 10.4	$ 3.6	$ (15.4)	$ (9.4)	$ 3.9	$ (8.9)	$ (21.4)
Capital Expenditures[1]	(1.0)	(1.0)	(1.0)	(1.7)	(5.2)	(4.5)	(6.2)	(3.6)
Free Cash Flow	**9.1**	**9.4**	**2.6**	**(17.1)**	**(14.6)**	**(0.6)**	**(15.1)**	**(25.0)**

[1]: Net of proceeds from disposal/sale of property, plant, and equipment