

Sidoti December Small-Cap Virtual Conference

December 7, 2022

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 document 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 document 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 18 for use of non-GAAP financial measures.

CVG Snapshot and Value Proposition

OUR MISSION

Make the world a better place through our products and actions

YOUNG ENTREPRENEURIAL COMPANY

- Founded 2000
- 2021 Revenue: $972 million
- 2021 Adj. EBITDA: $73 million
- 8,400 employees

GLOBAL TIER 1 SUPPLIER

- We compete globally with our business model and have >1,000 customers
- We are service and customer driven with 30 plants in 10 countries, matching up to our customer's plants
- Our footprint is a competitive advantage and market leading

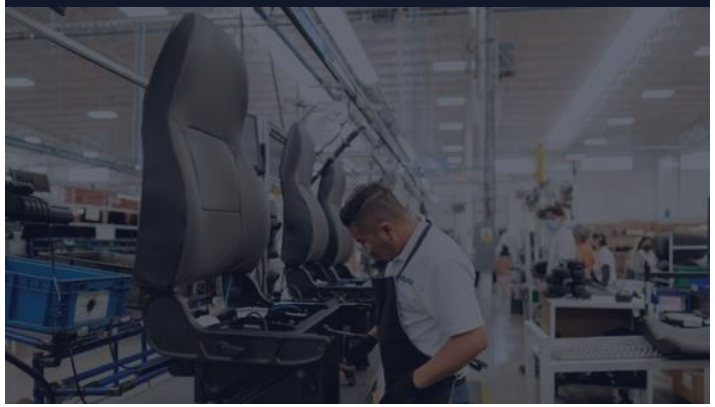
VALUE PROPOSITION

- Underway with a transformation of a market leading supplier and leveraging its "application engineering" and low capex business model into brand new markets to create a more profitable and less cyclical company.
- In ~2 years, have already won >$300 million of annualized new business at full ramp-up with over 100 new products and >50 new customers – centered in the electric vehicle industry.
- Have modified electrical systems plants to make EV products
- Have large and growing new business pipeline of >$5 billion
- Fixing or exiting dilutive legacy business, price/cost is a focus area

CVG – Focused on Vehicles and Automation
Secular Growth Across the Business Units from Electric Vehicle Penetration

On Track for our Electrical Systems Business to Become our Largest Business Unit

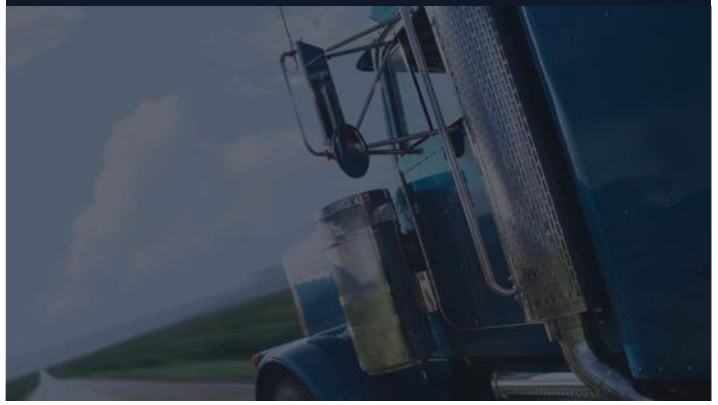
Electrical Systems


Seating


Plastics


Industrial Automation


Structures


Aftermarket


>$150 Million of 2023 Sales Will Be from New Business Wins

CVG Business Strategy Overview

Mission Make the world a better place through our products and actions

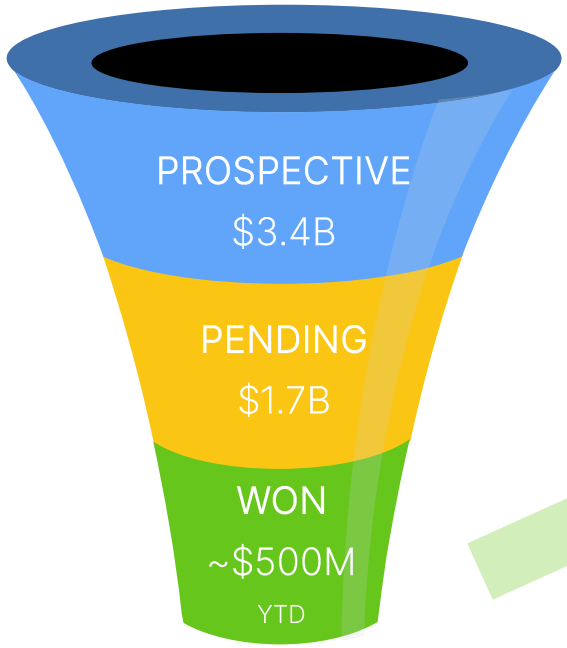
- Aggressively grow Electrical Systems and Aftermarket business
  - New products, new customers
- Selectively participate in OE seat business globally with new global seat platform – Unity
- Reboot Warehouse Automation, post-Amazon meltdown
- Continue to gradually lessen SG&A, gradually downsize corporate
- Continue to generate cashflow and keep debt low
- Implement routine M&A program when leverage ratios are comfortable

Culture Honest transparency, entrepreneurialism, deliver outcomes

New Business Wins

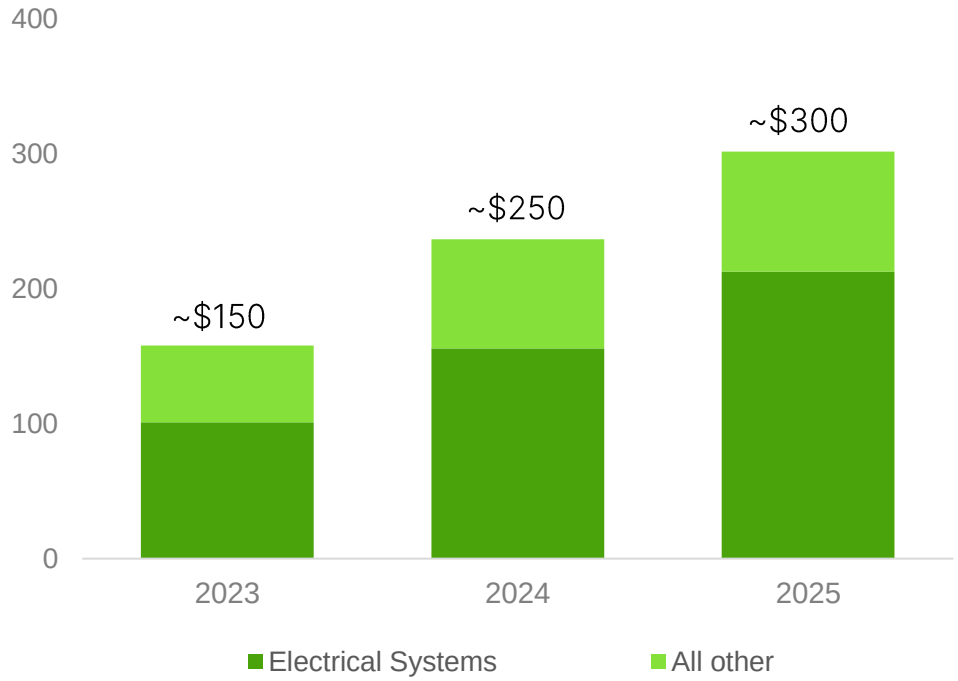
Global Pipeline ~ $5 Billion[1]

As of 9/30/2022



[1]estimated lifetime program value over 3-7 years

New Wins Outlook



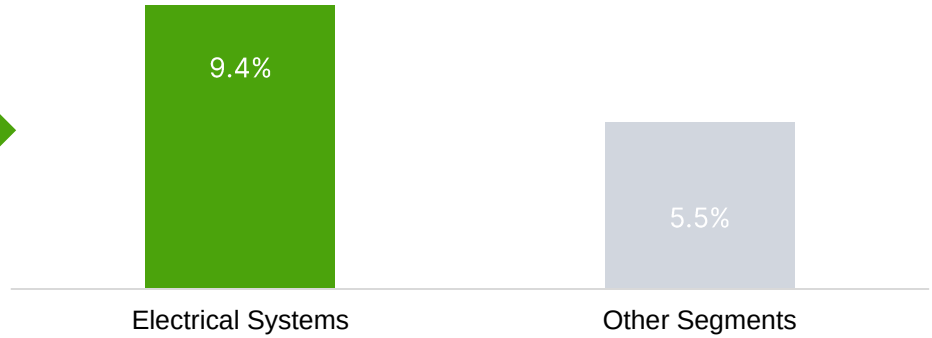
[2]All amounts in millions



CVG Electrical Systems

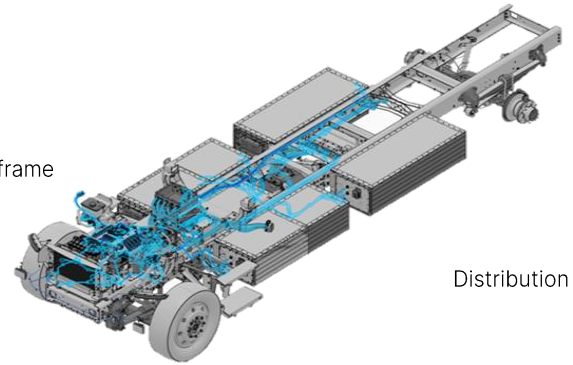
- Electrical Systems segment expected to grow to over one-third of Company's revenues on the back of electrical wire harness business
- Revenue mix shift set to benefit Company operating income margin, as Electrical Systems has very attractive margins

TTM Adjusted OI Margin

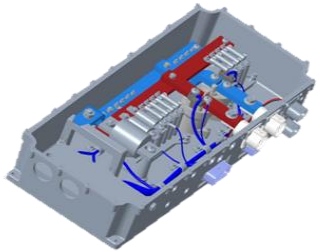


CVG Electrification Platform

- Custom designed high and low voltage electrical systems
- Custom designed high and low voltage distribution boxes for vehicle optimization
- Awarded full electrical system design on five electric vehicles



Wire harness distribution on EV truck frame



Distribution box



[1]Pro Forma include TTM Revenues plus 2025E annual run rate of new wins in last two years shown on Slide 6.

E-Commerce Aftermarket Business is Nearing Launch

2023

Organize Business & Adapt to Post-Covid

- Get Product Lines Ready
  - Adapter plates for all-make seats
  - Design new custom floormat offering
  - Design new wiper product
  - Design new seat cushion with Serta
  - Design new road watch sensors
- Get Software Platform Ready
  - Adopt Shopify multi-source
  - Produce Ship-from-stock inventory profiles
  - Create custom URL for shopping
- Get Production + Logistics Ready
  - Expand capacity to make aftermarket seats in two plants
  - Common packaging

Launch

- Launch seats in NA
- Build stock profile for wipers, launch wipers
- Build stock profile for mirrors, launch wipers
- Build stock profile for road watch sensors, launch sensors
- Design and trial new aftermarket seats for Ford trucks, Toyota trucks and Jeeps
- Expand wiper product line

Expand

- Launch ecommerce aftermarket platform in EV and APAC
- Expand seating products – delivery vans, school bus seats, construction equipment seats, tractor seats
- Expand NA footprint

Initiatives to Drive Shareholder Value



Focused and Optimized Base Business

- Improve profitability or exit
- Control cost structure and manufacture in-house what we should
- Lower our costs by getting better and smarter, lean down SG&A



Win New Accretive Business

- Secular growth in Electric Vehicle market globally
- Expand and diversify our customer roster
- Expand product line-up and deliver system solutions



Use Free Cash Flow to Self-fund Growth and Pay Down Debt

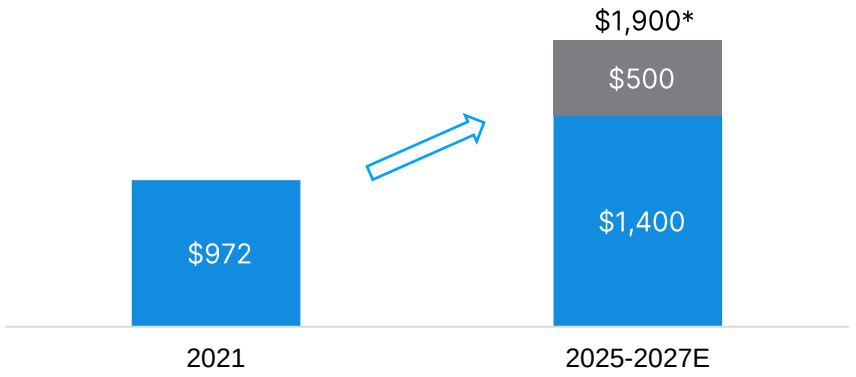
- Reinvest to grow the business
- Pay down debt
- Explore logical M&A opportunities

Increase Profits, Increase Free Cash Flow, Self-Fund Growth Transformation

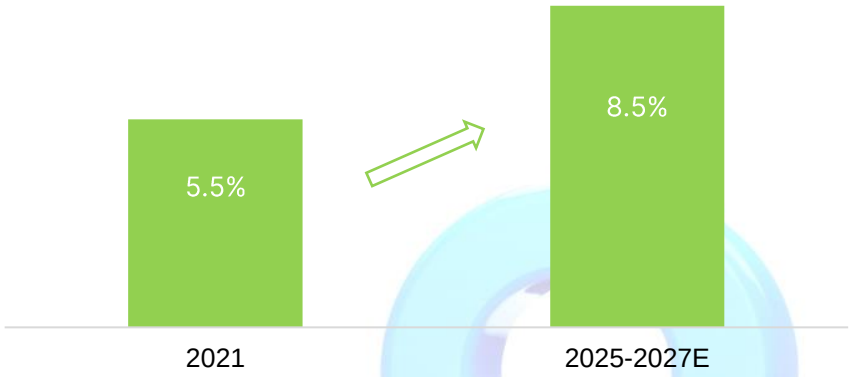
Long Term Roadmap

Strengthen the Revenue Portfolio and Profitability of CVG

Revenue
(in millions of dollars)



Adjusted OI Margin



- Target and win accretive new business to diversify the company's customer and product portfolio and increase the company's value proposition through innovation
- Improve the company's legacy business, renegotiate contracts, optimize costs, and improve profitability
- Improve working capital, increase free cash flow and pay down debt
- Increase optionality for organic and inorganic growth

Timing may be impacted by resolution of global supply chain issues

**Assumes $500 million additional wins consistent with past 30 months and forecasted truck build*

CVG Investment Highlights



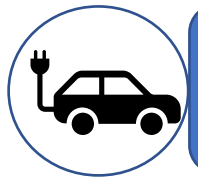
Improved Pricing Structure

- Significantly improved our pricing across customer base to ensure we are earning attractive margins and to offset material cost increases
- This will help achieve our goal of 8.5% operating income margin



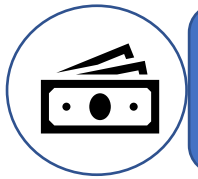
Organic Growth

- Continuing to win first-fit positions and 2022 on track for 3rd year in a row of foundational New Wins
- >$150 million of 2022 sales from New Wins in-hand and growing to >$300 million at full ramp-up



Electric Vehicle Market Focus

- CVG management team is executing on a self-funding secular growth transformation focused on the EV market
- Designing and delivering the complete electrical system backbone of the vehicles which will be an accretive mix shift



Increased Profitability Going Forward

- Benefiting from electrical mix shift from new wins and expected to deliver improved profits, free cashflow and ROIC
- Impact of new business wins, investment in our business, and cost improvements



Financial Review

Third Quarter
2022

Q3 2022 Highlights

FINANCIAL HIGHLIGHTS

NET SALES
$251.4
MILLION

ADJUSTED EBITDA
$14.3
MILLION

ADJUSTED OPERATING INCOME
$10.6
MILLION

DILUTED ADJ. EPS
$0.15

Note: US GAAP net income attributable to Commercial Vehicle Group, Inc. was $3.6M for Q3 FY22. GAAP diluted earnings per share was $0.11 for Q3 FY22.

BUSINESS HIGHLIGHTS

SALES GROWTH
+4.9%
YoY
Benefits of customer price negotiations and contribution of new business wins

NEW BUSINESS
$39m
of additional new wins during Q3 2022
Total new wins of $143M YTD on an annualized basis

COMPETITIVE POSITION
- Targeting new, low-cost plants in Mexico and North Africa
- Driving productivity across our asset base

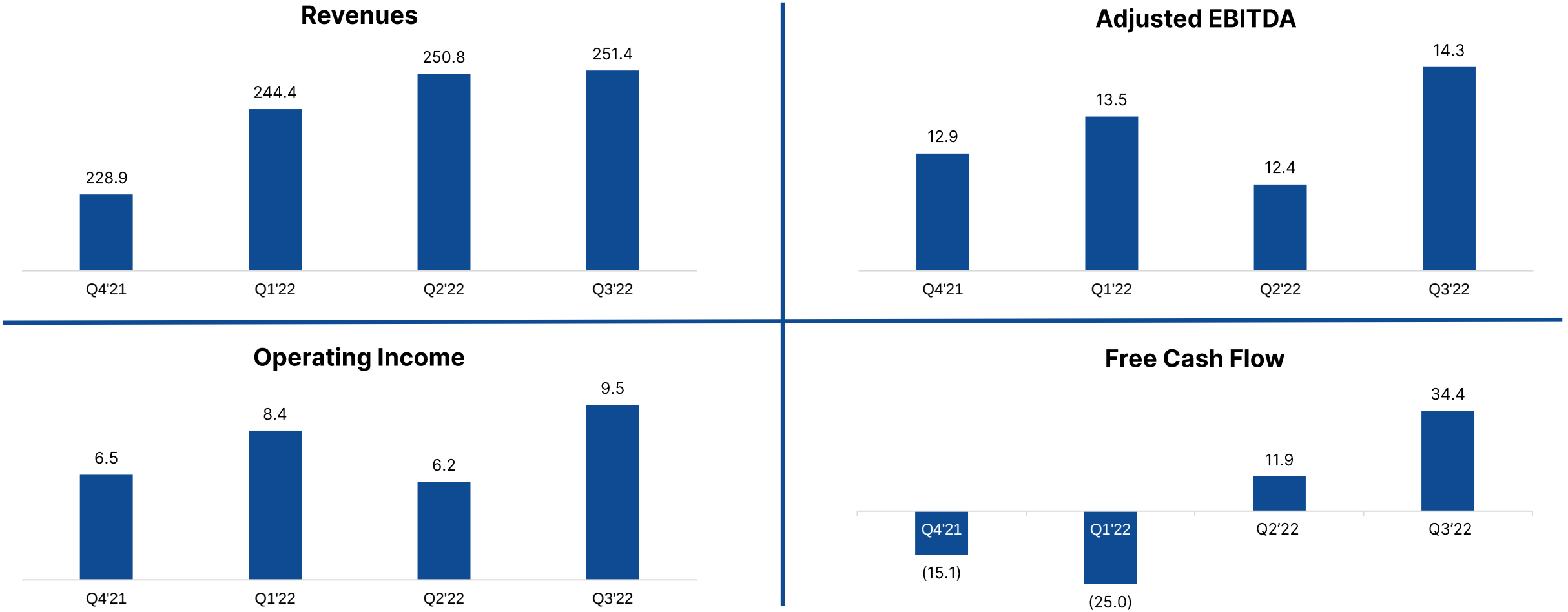


FREE CASH FLOW
$34m
in Q3 2022

Vehicle Businesses Offsetting Warehouse Automation, More on the Way

Sequential Financial Improvements

All values are in millions of dollars



- Committed to continued price recovery and profit recovery → underway
- Expect full year debt paydown at the high end of $25 million to $40 million range, and on track to fully pay off revolver in Q4 2022

Third Quarter Segment Results

All Vehicle Businesses Up in Sales and Profits, Offsetting Warehouse Automation Pause

Segment Results

For the Three Months Ended September 30, 2022 (in millions)

	Net Sales			Adjusted Operating Income		
	2022	2021	% Change	2022	2021	% Change
Vehicle Solutions	$ 154.0	$ 117.9	31%	$ 9.6	$ 2.9	230%
Electrical Systems	$ 46.1	$ 40.1	15%	$ 5.2	$ 4.9	5%
Aftermarket and Accessories	$ 37.1	$ 29.9	24%	$ 5.4	$ 2.3	130%
Warehouse Automation	$ 14.1	$ 51.7	(73%)	$(0.7)	$ 8.1	NM

NM = Not meaningful

Looking Forward

- Completing another round of inflation-driven price increases in Q4 on existing business
  - → And readying another round for Q1 2023
- Electrical Systems business for Electric Vehicles market is growing, and our opportunities are large and attractive
  - → Building two new, low-cost plants in North America and North Africa to ramp-up and onboard new business
- Order demand stable in vehicle markets
- Order demand remains weak in Warehouse Automation
- Cashflow generation remains stable and positive
- Preparing to launch the company's first ever e-commerce business platform for aftermarket products
- New management team committed to significant continued transformation


Smart Industrial Control System
Dashboard
Overview
Product report
Performance
Product Quality
Machine State
32.04%
99%
25%
67%
Fine

Appendix

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)	Q3 2022	Q3 2021
Operating Income	9.5	11.4
Deferred Consideration Purchase Accounting	0.1	0.1
Restructuring	0.7	-
Executive transition	0.3	0.7
Adjusted Operating Income	10.6	12.2
% of Revenues	4.2%	5.1%
Net Income/(Loss)	3.6	7.5
Interest Expense	2.8	1.6
Provision (benefit) for income taxes	1.3	2.4
Depreciation Expense	3.7	3.7
Amortization Expense	0.8	0.9
EBITDA	12.2	16.1
% of Revenues	4.9%	6.7%
EBITDA Adjustments		
Deferred consideration purchase accounting	0.1	0.1
Restructuring	0.7	-
Executive transition	0.3	0.7
Hryvnia fair value adjustments on forward exchange contracts	(0.1)	-
Pension settlement	1.1	-
Adjusted EBITDA	14.3	16.9
% of Revenues	5.7%	7.1%

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

(in millions)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Net income/(Loss)	(4.1)	8.5	5.1	7.5	2.6	4.0	2.5	3.6
Interest	5.2	5.0	2.8	1.6	1.7	2.0	2.1	2.8
Provision / (Benefit) for Income Taxes	3.9	2.5	1.5	2.4	1.9	1.4	0.9	1.3
Depreciation	3.8	3.8	3.8	3.7	3.8	3.5	3.7	3.7
Amortization	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8
EBITDA	9.7	20.7	14.1	16.1	10.9	11.8	10.0	12.2
Adjustments								
Executive Transition	-	-	-	0.7	-	-	-	0.3
Restructuring	1.6	-	-	-	1.9	1.0	1.8	0.7
Investigation	0.7	0.2	0.2	-	-	-	-	-
Deferred consideration purchase accounting	1.0	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Loss on extinguishment of debt	-	-	7.2	-	-	-	0.9	-
Hryvnia fair value adjustments on forward exchange contracts	-	-	-	-	-	0.6	(0.4)	(0.1)
Pension settlement	-	-	-	-	-	-		1.1
Adjusted EBITDA	13.0	21.1	21.6	16.9	12.9	13.5	12.4	14.3

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

(in millions except for share information)	Q3 2022	Q3 2021
Net income/(Loss)	3.6	7.5
Operating income (loss) adjustments	1.0	0.8
Hryvnia fair value adjustments on forward exchange contracts	(0.1)	-
Pension settlement	1.1	-
Adjusted (benefit) provision for income taxes[1]	(0.5)	(0.2)
Adjusted net income (loss)	5.1	8.1
Diluted EPS	0.11	0.23
Adjustments to diluted EPS	0.04	0.02
Adjusted diluted EPS	0.15	0.25

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 September 30, 2022						
(in millions)	Vehicle Solutions	Warehouse Automation	Electrical Systems	Aftermarket & Accessories	Corporate	Total
Operating Income/(Loss)	9.5	(0.9)	5.1	5.0	(9.1)	* 9.5
Deferred consideration purchase accounting	-	0.1	-	-	-	0.1
Restructuring	0.1	0.1	-	0.4	-	*0.7
Executive transition	-	-	-	-	0.3	0.3
Adjusted Operating Income/(Loss)	9.6	(0.7)	5.1	5.4	(8.8)	*10.6
Adjusted Operating Income/(Loss)	6.2%	(5.2%)	11.2%	14.5%		4.2%

For the Three Months Ended September 30, 2021						
(in millions)	Vehicle Solutions	Warehouse Automation	Electrical Systems	Aftermarket & Accessories	Corporate	Total
Operating Income/(Loss)	2.9	8.0	4.9	2.4	(6.8)	11.4
Deferred consideration purchase accounting	-	0.1	-	-	-	0.1
Executive transition	-	-	-	-	0.7	0.7
Adjusted Operating Income/(Loss)	2.9	8.1	4.9	2.4	(6.1)	12.2
Adjusted Operating Income/(Loss)	2.5%	15.8%	12.3%	7.8%		5.1%

* It might not foot or cross-foot due to rounding.

Reconciliation of GAAP to Non-GAAP Cash Flow Information

(in millions)	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Cash Flow from Operations	$ 3.6	$ (15.4)	$ (9.4)	$ 3.9	$ (8.9)	$ (21.4)	$ 16.9	$ 38.3
Capital Expenditures[1]	(1.0)	(1.7)	(5.2)	(4.5)	(6.2)	(3.6)	(5.0)	(3.9)
Free Cash Flow	2.6	(17.1)	(14.6)	(0.6)	(15.1)	(25.0)	11.9	34.4

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