

Sidoti Conference

March 22, 2023

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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, industrial 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 17 for use of non-GAAP financial measures.

CVG Overview

YOUNG ENTREPRENEURIAL COMPANY

- Founded 2000
- 2022 Revenue: $982 million
- 2022 Adj. Operating Income: $37 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

WHO WE ARE

- An experienced Tier 1 vehicle partner who has launched a new Electrification and EV business strategy which is beginning to show results.
- We assembled a new world class management team to drive this strategy with 8 of 10 leaders new in the last 3 years.
- A multi-year growth plan is already underway.

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

Electrical Systems


Seating


Plastics

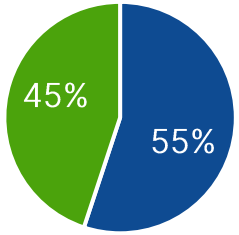
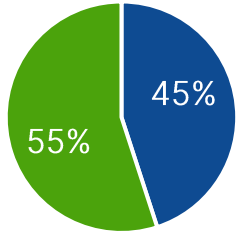
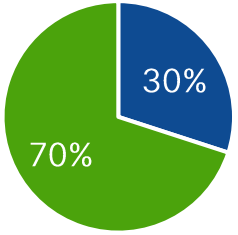
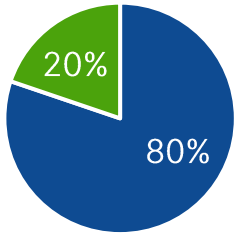
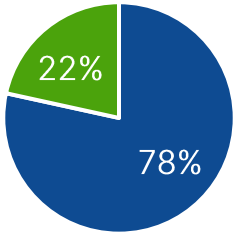
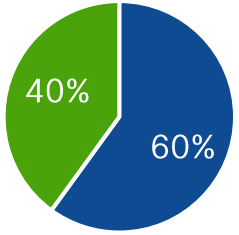
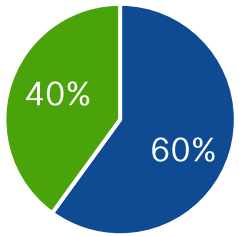
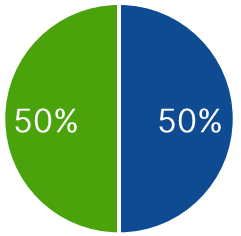
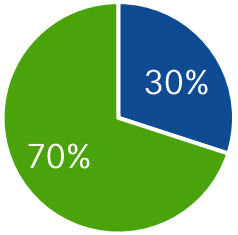

Industrial Automation

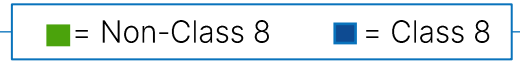

Structures

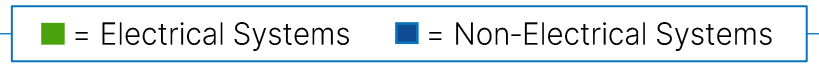

Aftermarket


~$150 Million of 2023 Sales Will Be from New Business won in last 3 years

Strategically Repositioning The Business

	2019	2023	2027
Broaden our sweet spot, decrease our cyclical risk			
Focus on high margin, high-ROIC business			
Decrease our customer concentration			



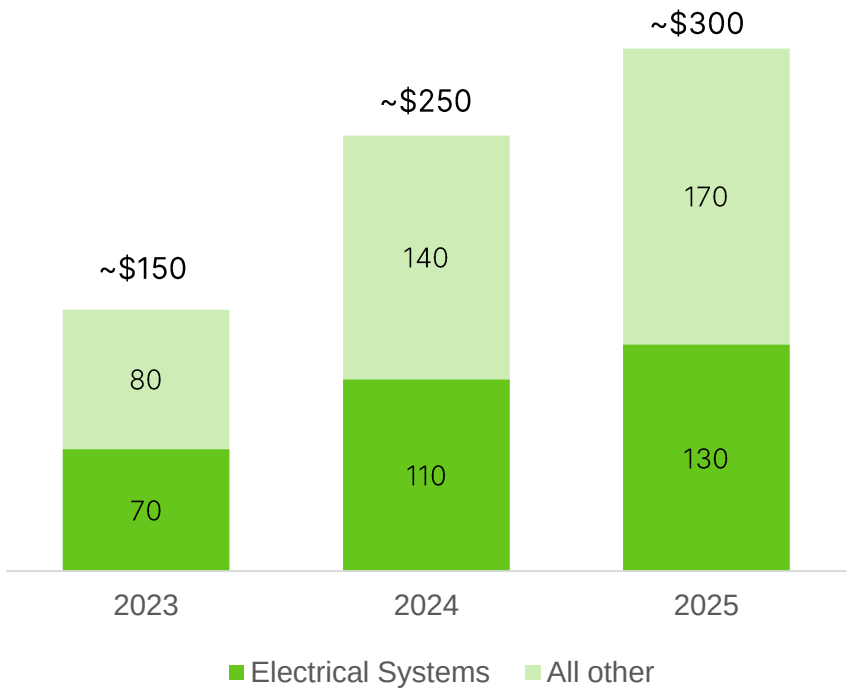




New Business Wins are Transforming CVG's Future

New Business Revenue

($MM) as of March 2023



~50% of new wins are in Electrical Systems

New Awards are approaching balance between ICE and EV, diversified across multiple vehicle platforms

EBITDA % on new wins is accretive at full production


Autonomous


Aviation & Aerospace


Battery


Bus & Van


Class 8 Trucks


CON/AG


E-mobility


Marine


Military & Defense


Industrial Automation

Participating in Secular Growth in Vehicle Electrification, Automation and Increased Connectivity

CVG “Secret Sauce"

- Speed + product engineering helps our customers move fast
- Low-cost manufacturing set up for high service, and speed with proprietary digital boards and software

Focused New Business Prospecting

- Low to medium volumes – sweet spot at target accounts and better margins
- Complete full vehicle connectivity solutions – high voltage and low voltage
- State of the art manufacturing cells able to produce and changeover quickly
- We believe we are a leader at manufacturing speed, and have benchmarked it

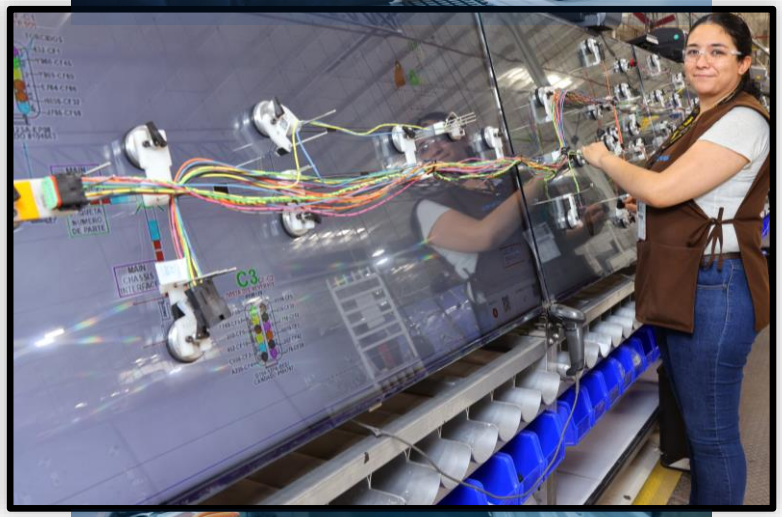
Targeted Customers

- Large customer base of prospecting: both EV and ICE propulsion systems in a variety of markets - focused on non-Class 8 commercial vehicles – delivery vans and work trucks are a prime example

Future

- Working with customers on autonomous vehicles and expanding geographically
- Broadening our business model in Europe and Asia
- Transitioning from build-to-print to design engineering







Strategy in Action → Example of New Win in Electric Delivery Van Market

2020

- Target electric delivery van market and target OE's for the electrical system in vehicles
- Not an approved supplier
- Begin calling on targeted customers

2021

- Design low voltage and high voltage product lines
- Outfit existing factories with new equipment and achieves certifications
- Become an approved supplier

2022

- Win electrical design and development (ED+D) contract with an established delivery van company
- Design electrical architecture and expenses non-reimbursed costs
- Bid on production contract

2023

- Awarded a major portion of production contract for electrical system
- Electric delivery van production scheduled to begin. Will produce in Mexico
- Delivery van OE already has well-established customer base

2024 - 2031

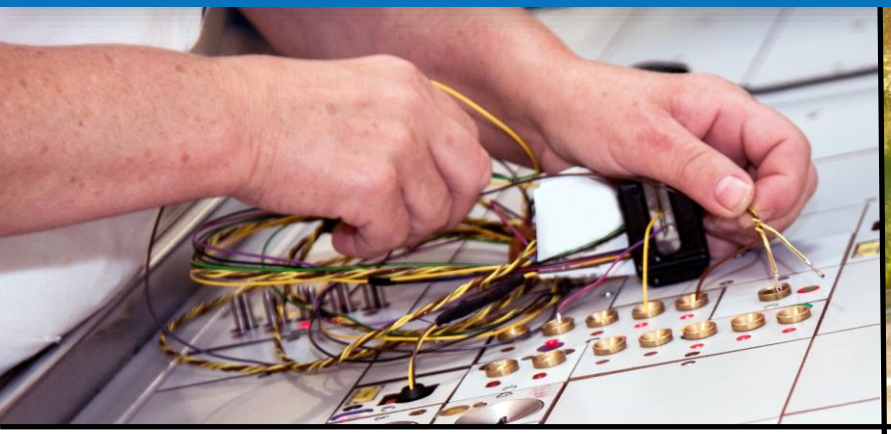
- Value of program at full ramp: **$43.7 million per year**
- Estimated lifetime revenue: **>$300 million with current sales plan for platform**

SUMMARY

- This recent award will end up being an 11-year program start-to-finish with an existing market leader of delivery vans
- Won 300+ programs in the last three years



Initiatives to Drive Shareholder Value







Each Business Has a Portfolio Role, Deliver it

- Improve profitability or exit unprofitable and/or non-strategic business
- Control cost structure and manufacture in-house what we should
- Reallocate SG&A, fund and install digital backbone

Grow Organically with Specific Strategies by Business Area

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

Generate Free Cash Flow, Maintain Modest Debt Profile

- Reinvest to grow the business
- Pay down debt
- Explore M&A opportunities to accelerate and strengthen objectives

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

2023 Outlook Stronger than 2022

- **Another record year of Revenue** expected due to strong heavy and medium duty truck demand, increased pricing and new business growth
- **Gross Margins and EBITDA expected to be higher** as pricing is now ahead of inflation and new business growth is ramped up
- We expect continued short-term weakness in legacy Industrial Automation demand, lead generation underway
- Upsized and implemented a bigger cost-out program, targeting $30M
- Reducing our exposure to high start-up costs in the Vehicle business
- Continued modest debt paydown and deleveraging
- Continue to target >$100M of new business wins, concentrated in Electrical Systems

Excited to exit COVID and turn the corner

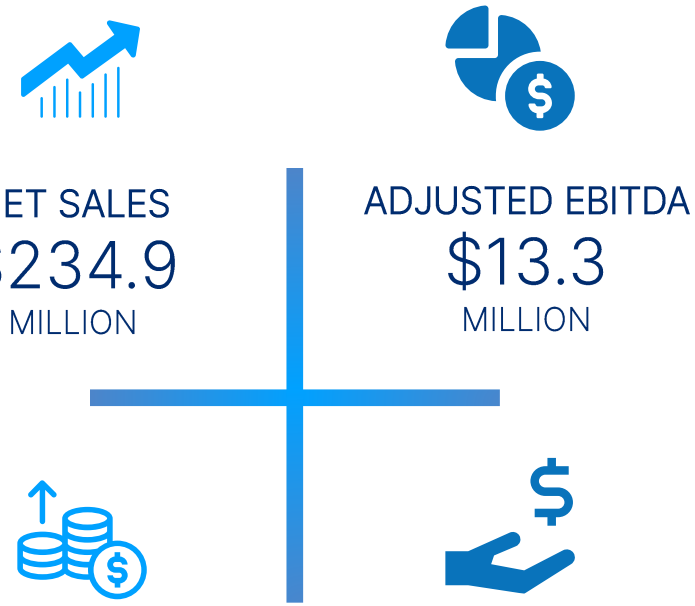


Financial Review

Q4 / FY 2022

Q4 and FY 2022 Highlights

Q4 FINANCIAL HIGHLIGHTS



NET SALES
$234.9
MILLION

ADJUSTED EBITDA
$13.3
MILLION

ADJUSTED OPERATING INCOME
$8.4
MILLION

FREE CASH FLOW
$28
MILLION

Note: US GAAP net loss was $32M for Q4 FY22.
GAAP diluted loss per share was $0.98 for Q4 FY22.

2022 HIGHLIGHTS

PRICE

Continued Price Realization

Continued improvement in price realization completed in Q4, new negotiated price starting Jan 2023

NEW BUSINESS WINS

$150
MILLION

Value when fully ramped
Growth programs secured in 2022

DEBT PAYDOWN

$43
MILLION

Exceeded goal of $25-40 million, mainly in AR improvements

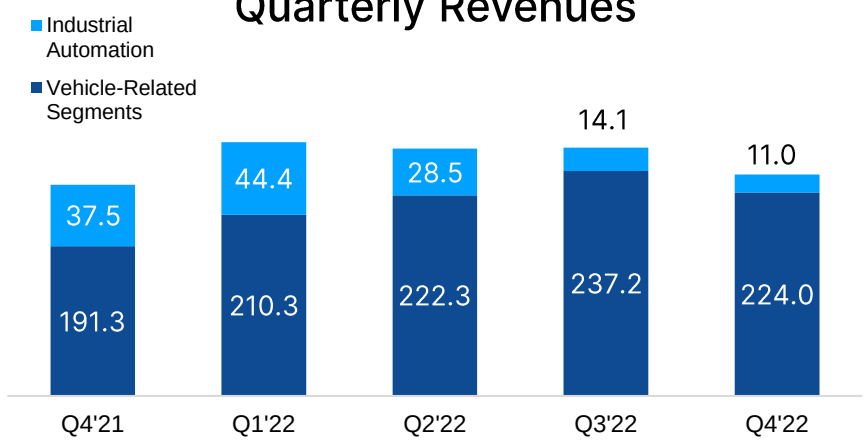
NET DEBT REDUCED TO

$121
MILLION

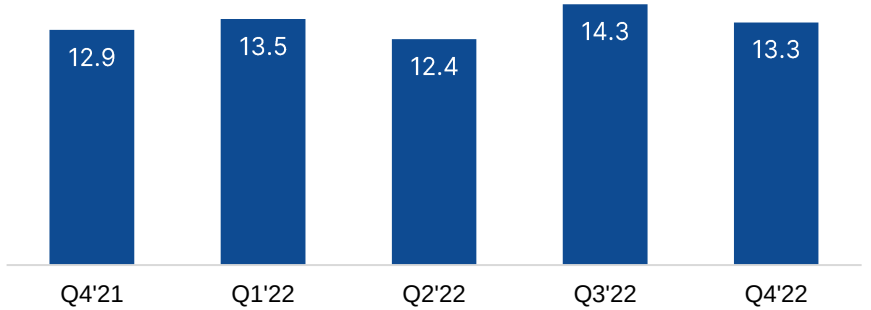
Continued focus of management team in 2023

Key Financial Trends

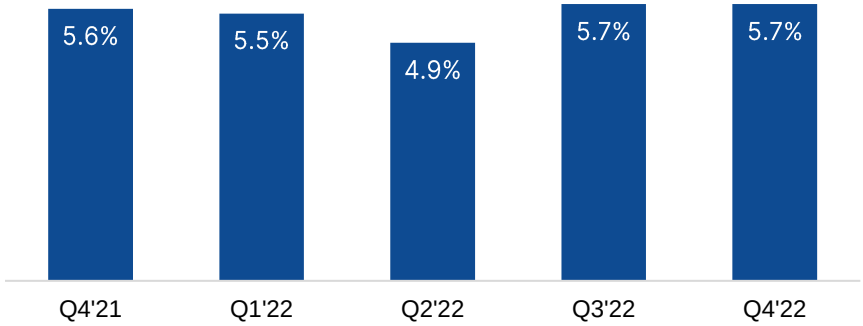
Quarterly Revenues



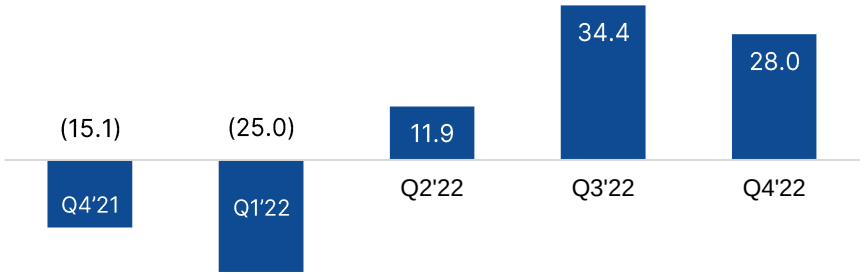
Quarterly Adjusted EBITDA



Quarterly Adjusted EBITDA Margin

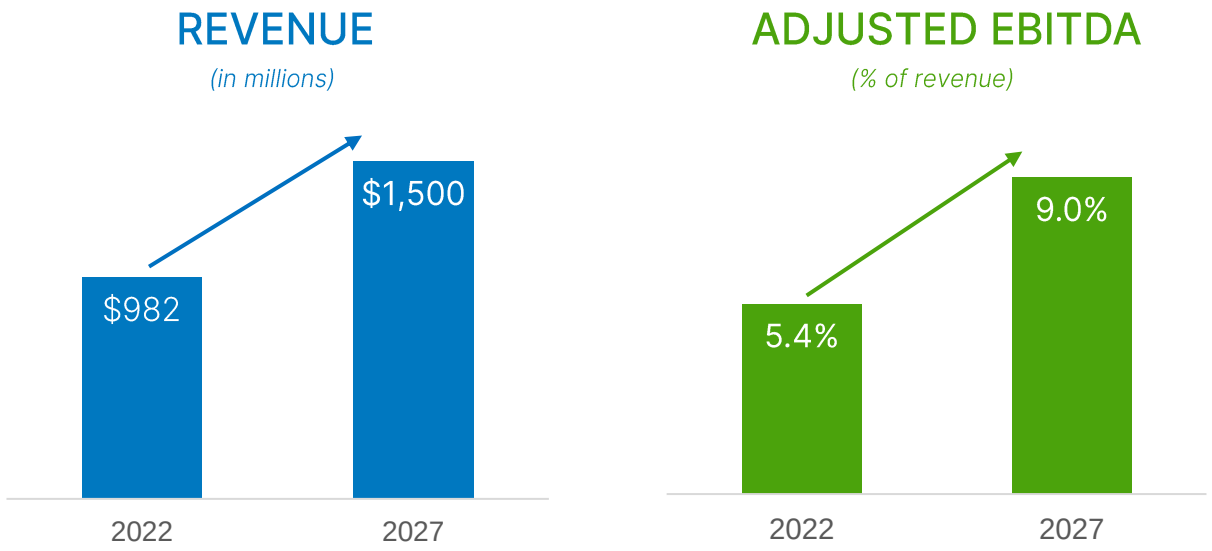


Quarterly Free Cash Flow

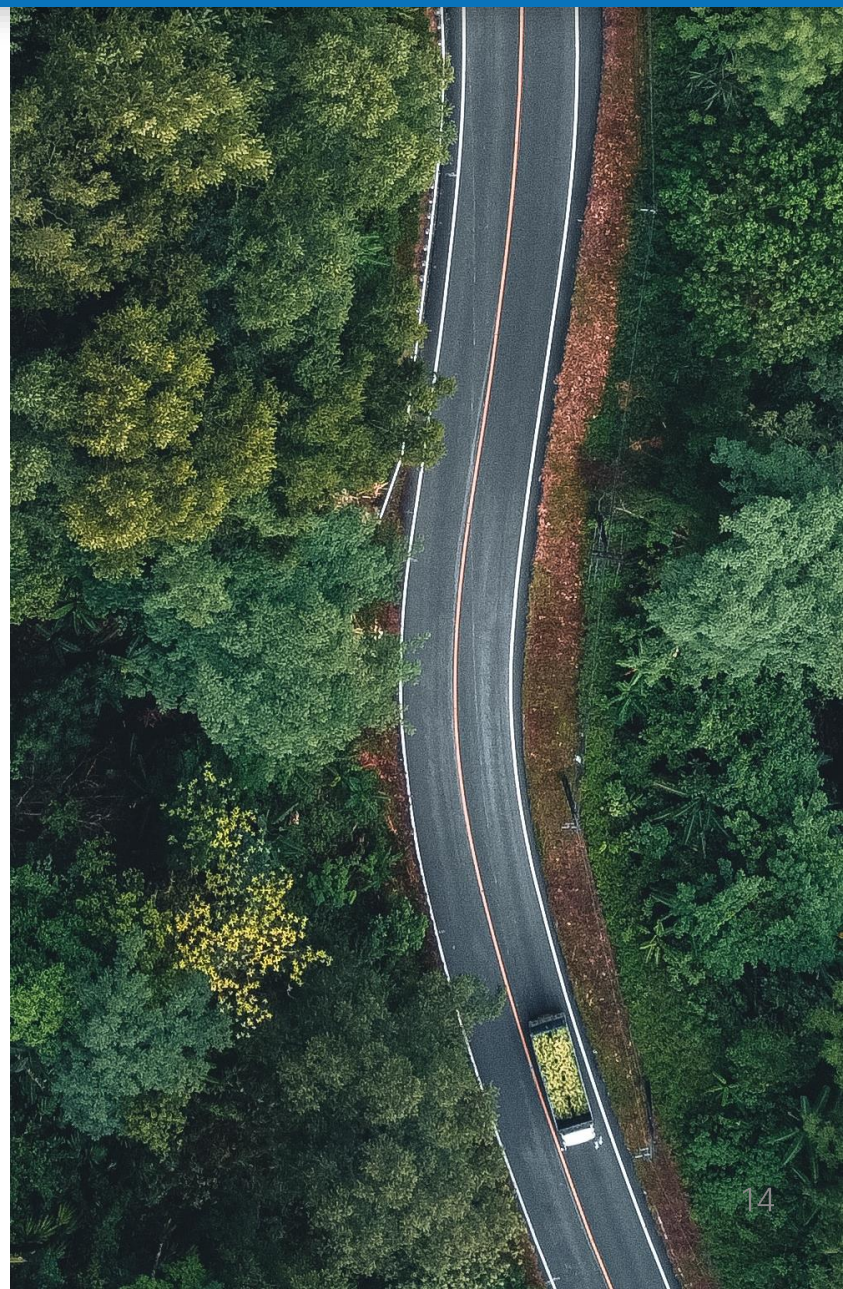


All values are in millions of dollars, except EBITDA margin percents

Long Term Roadmap



- 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





Appendix

Q4 / FY 2022

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.

Fourth Quarter Results

GAAP Measures	Three Months Ended Dec 31	
($ in millions except for share information)	2022	2021
Revenue	$ 234.9	$ 228.9
Operating Income	(4.0)	6.5
Operating Income Margin	(1.7)%	2.8%
Diluted EPS	(0.98)	0.08

NON-GAAP Measures	Three Months Ended Dec 31	
($ in millions except for share information)	2022	2021
Adjusted EBITDA	$ 13.3	$ 12.9
Adjusted EBITDA Margin	5.7%	5.6%
Adjusted Diluted EPS	0.04	0.13
Free Cash Flow	28.0	(15.1)

Segment Results	Net Sales			Adjusted Operating Income		
For the Three Months Ended December 31, 2022 (in millions)	2022	2021	YoY Change	2022	2021	YoY Change
Vehicle Solutions	$ 142.8	$ 126.4	13%	$ 4.2	$ 5.5	(24%)
Electrical Systems	47.1	38.2	23%	5.5	2.7	104%
Aftermarket & Accessories	34.1	26.7	28%	3.7	1.9	95%
Vehicle-Related Segments*	**224.0**	**191.3**	**17%**	**13.3**	**10.1**	**32%**
Industrial Automation	11.0	37.5	(71%)	(0.5)	3.6	(117%)

** Includes Vehicle Solutions, Electrical Systems, and Aftermarket & Accessories*

Reconciliation of GAAP to Non-GAAP Financial Measures

(in millions)	Q4 2022	Q4 2021
Operating Income/(Loss)	(4.0)	6.5
Restructuring	2.0	1.9
HW inventory adj	10.4	-
Deferred consideration purchase accounting	-	0.1
Adjusted Operating Income	8.4	8.5
% of Revenues	3.6%	3.7%
Net Income/(Loss)	(31.9)	2.6
Interest Expense	2.9	1.7
Provision (benefit) for income taxes	17.4	1.9
Depreciation Expense	3.7	3.8
Amortization Expense	0.8	0.9
EBITDA	(7.1)	10.8
% of Revenues	(3.0%)	4.7%
EBITDA Adjustments		
Restructuring	2.0	1.9
HW inventory adj	10.4	-
Deferred consideration purchase accounting	-	0.1
Non-cash pension expense	8.1	-
Other adjustment on FX	(0.1)	-
Adjusted EBITDA	13.3	12.9
% of Revenues	5.7%	5.6%

Reconciliation of GAAP to Non-GAAP Financial Measures

(in millions)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Net income/(Loss)	8.5	5.1	7.5	2.6	4.0	2.5	3.6	(32.0)
Interest	5.0	2.8	1.6	1.7	2.0	2.1	2.8	2.9
Provision / (Benefit) for Income Taxes	2.5	1.5	2.4	1.9	1.4	0.9	1.3	17.4
Depreciation	3.8	3.8	3.7	3.8	3.5	3.7	3.7	3.7
Amortization	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8
EBITDA	20.7	14.1	16.1	10.9	11.8	10.0	12.2	(7.1)
Adjustments								
Executive Transition	-	-	0.7	-	-	-	0.3	-
Restructuring	-	-	-	1.9	1.0	1.8	0.7	2.0
Investigation	0.2	0.2	-	-	-	-	-	-
Inventory adjustment	-	-	-	-	-	-	-	10.4
Deferred consideration purchase accounting	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)	(0.1)
Pension settlement	-	-	-	-	-	-	1.1	8.1
Adjusted EBITDA	21.1	21.6	16.9	12.9	13.5	12.4	14.3	13.3

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

(in millions except for share information)	Q4 2022	Q4 2021
Net income/(Loss)	(32.0)	2.6
Operating income (loss) adjustments	12.4	2.0
Other adjustment on FX	(0.1)	-
Pension Settlement	8.1	-
Pension Settlement – Tax Adjustment	1.5	-
Tax Valuation Allowance	14.7	-
Adjusted (benefit) provision for income taxes	(3.1)	(0.5)
Adjusted net income (loss)	1.4	4.1
Diluted EPS	(0.98)	0.08
Adjustments to diluted EPS	1.02	0.05
Adjusted diluted EPS	0.04	0.13

Segment GAAP to Non GAAP QTD

For the Three Months Ended Dec 31, 2022						
(in millions)	Vehicle Solutions	Electrical Systems	Aftermarket	Industrial Automation	Corporate	Total
Operating Income/(Loss)	3.7	5.4	3.2	(11.9)	(4.4)	(4.0)
Restructuring	0.5	0.1	0.5	0.9	-	2.0
Inventory Adjustment	-	-	-	10.4	-	10.4
Adjusted Operating Income/(Loss)	4.1	5.5	3.7	(0.6)	(4.4)	8.4
% of Revenue	2.9%	11.6%	10.8%	(4.8%)		3.6%

For the Three Months Ended Dec 31, 2021						
(in millions)	Vehicle Solutions	Electrical Systems	Aftermarket	Industrial Automation	Corporate	Total
Operating Income/(Loss)	5.0	1.7	1.9	3.1	(5.2)	6.5
Deferred consideration purchase accounting	-	-	-	0.1	-	0.1
Restructuring	0.5	1.0	-	0.4	-	1.9
Investigation	-	-	-	-	-	-
Adjusted Operating Income/(Loss)	5.5	2.7	1.9	3.6	(5.2)	8.5
% of Revenue	4.3%	7.0%	7.1%	9.7%		3.7%

Reconciliation of GAAP to Non-GAAP Cash Flow Information

(in millions)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Cash Flow from Operations	$ (15.4)	$ (9.4)	$ 3.9	$ (8.9)	$ (21.4)	$ 16.9	$ 38.3	$ 35.2
Capital Expenditures[1]	(1.7)	(5.2)	(4.5)	(6.2)	(3.6)	(5.0)	(3.9)	(7.2)
Free Cash Flow	(17.1)	(14.6)	(0.6)	(15.1)	(25.0)	11.9	34.4	28.0

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