




Sidoti Micro-Cap Conference

Robert Griffin – Chairman and Interim President & Chief Executive Officer

November 15, 2023

Andy Cheung – Executive Vice President & Chief Financial Officer



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”, “targets” “forecast” “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, 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 15](#) for use of non-GAAP financial measures.

OVERVIEW

- Founded 2000
- ~8,100 Employees
- 2023 TTM Revenue: \$1,007 million
- 2023 TTM Adj. Operating Income: \$53 million
- 2023 TTM EBITDA \$70.5 million, or 7% of revenue

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 partner who launched a transformation strategy to drive customer and product diversification by winning new business.
- Driving growth in our electrical systems for new business growth and supply chain improvements.
- A multi-year growth plan is already underway focused on expanding beyond our legacy markets.

Electrical Systems



Seating



Plastics



Industrial Automation



Structures



Aftermarket





NA Class 8 Truck Build

ACT Research and FTR are forecasting 2023 North American Class 8 truck production levels to be between 327,000 and 336,000 trucks. The 2022 actual Class 8 truck builds according to ACT Research was ~315,000 units



NA Medium Duty Truck Build

ACT Research is forecasting 2023 North American Class 5-7 production to be 266,000 units, an increase compared to ~241,200 units produced in 2022



Commercial Vehicle Aftermarket

- Industry forecasts compounded annual growth of 4% for 2023-2027
- Truck OEM's suggesting 2023 growth rates ~10%



Electrical Systems - Wire Harnesses

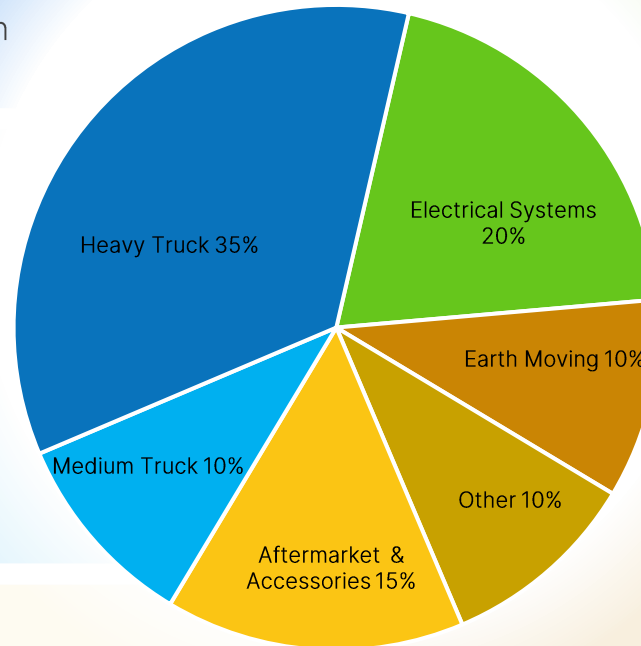
- Global commercial and automotive vehicle wire harness market is growing at 5% annually
- Half of all Class 4-8 truck sales are estimated to be battery-powered EV by 2035. (ACT Feb 22)



Global Earth Moving

- The global earth moving vehicle market is expected to decrease approximately 1% in 2023
- Beyond 2023, the earth moving vehicle market is expected to grow in the 4-5% range

CVG Revenue Profile



Win new business to transform our revenue profile

- Diversify our customer base and product portfolio
- Significantly grow the Electrical Systems business through new business wins, volume growth and market diversification
- Approximately \$140 million of new business wins secured year to date 2023



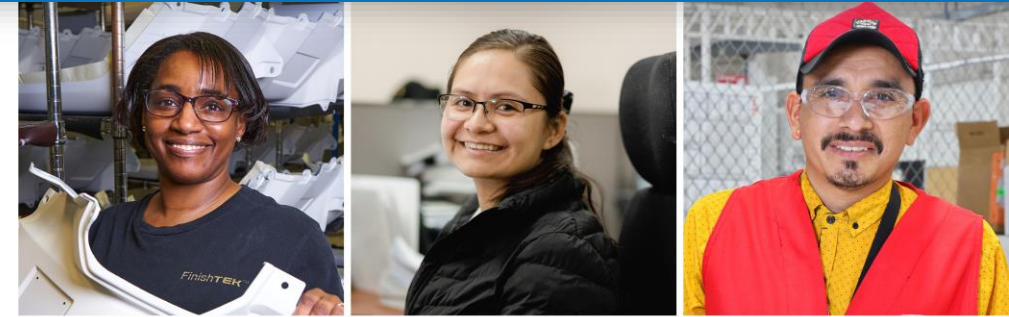
Optimize our existing businesses

- Optimize costs and footprint, improve profitability
- Improve working capital, increase free cash flow and pay down debt
- Increase optionality for organic growth and bolt on M&A



Strategy execution to deliver our long-term targets

- We believe we are on track to deliver our long-term revenue and EBITDA targets
- Consistent strategy execution and culture remain our key priorities



Make Electrical Systems our largest business

- Continue to win accretive new business, increase volumes and diversify our product portfolio
- Increase the design and engineering value in our products
- Strategically add new plant locations which provide cost competitiveness and service to our customers



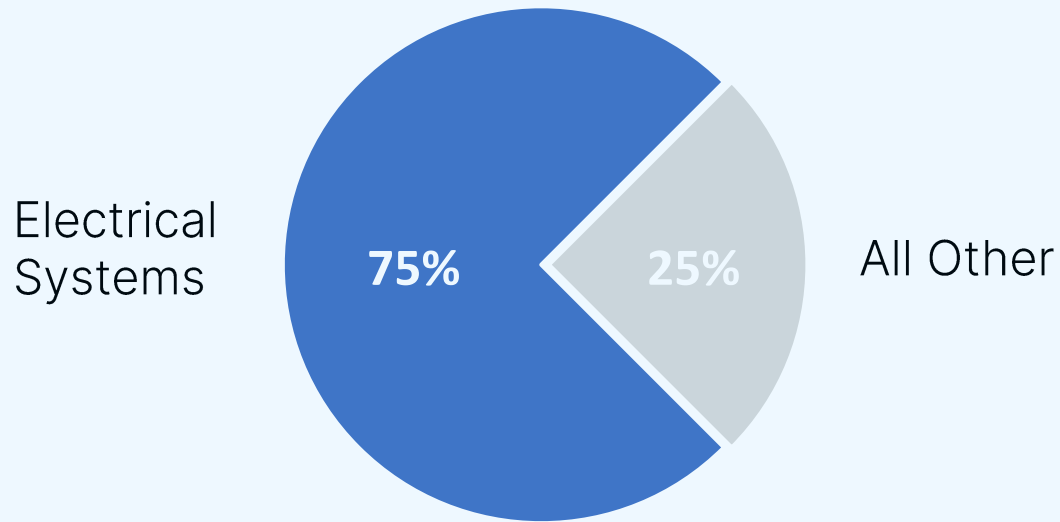
Diversify our vehicle platforms

- Continue to add higher growth end markets (E-Mobility, Aviation & Aerospace, Marine, Industrial Automation)
- Reduce the cyclical nature of our existing platforms with diversification

Increase the number of customers

- Drive up customer roster globally through organic new wins program
- Diversify and increase customers with existing and future global plant footprint

~75% of the 2023 new wins YTD are in the Electrical Systems Segment



2023 new wins ~\$140M YTD
(annual value when fully ramped)

- 50 different customers
- 30+ are new customers
- 70+ awards across multiple end markets



Autonomous



Aviation & Aerospace



Battery



Bus & Van



Class 8 Trucks



CON/AG



E-mobility



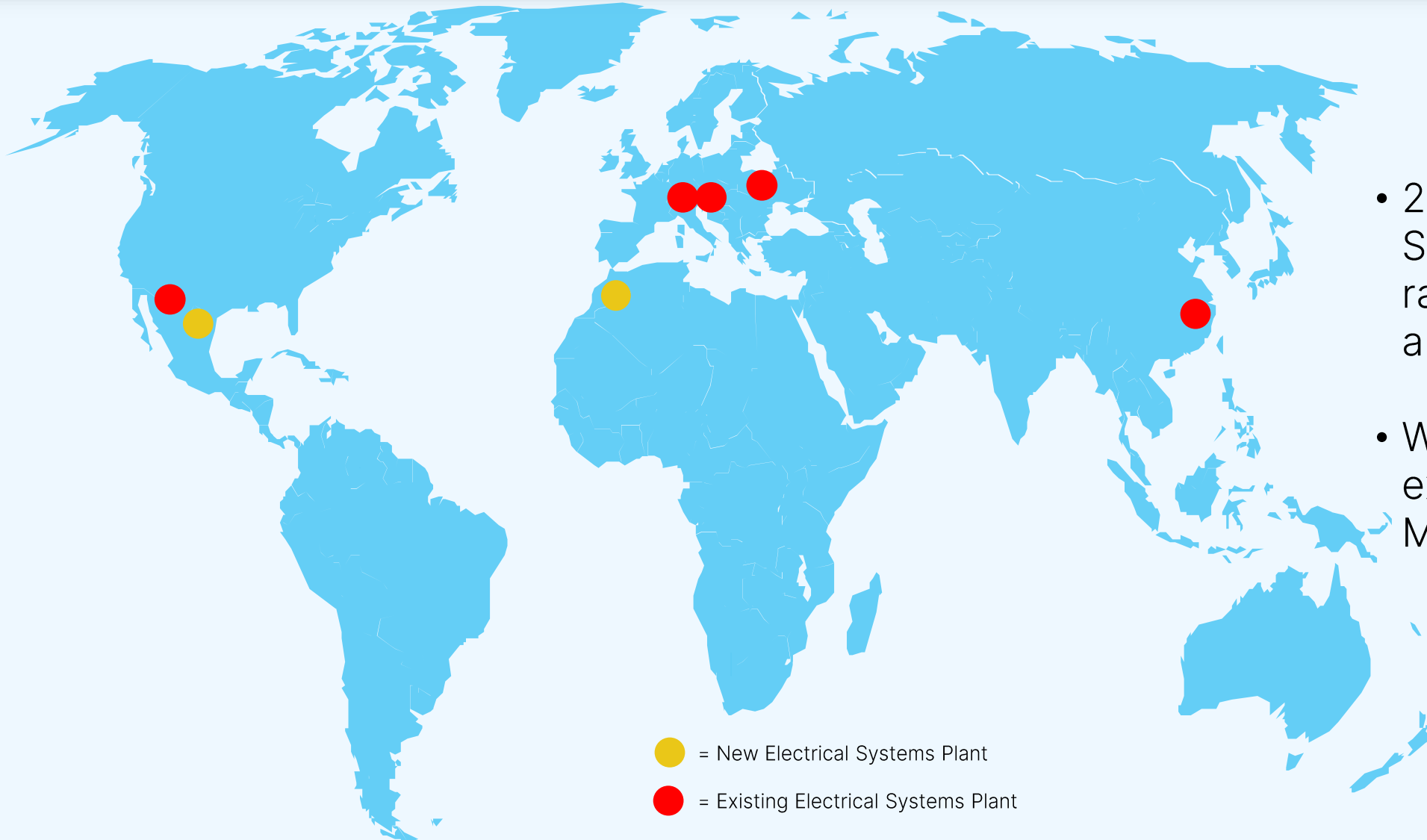
Marine



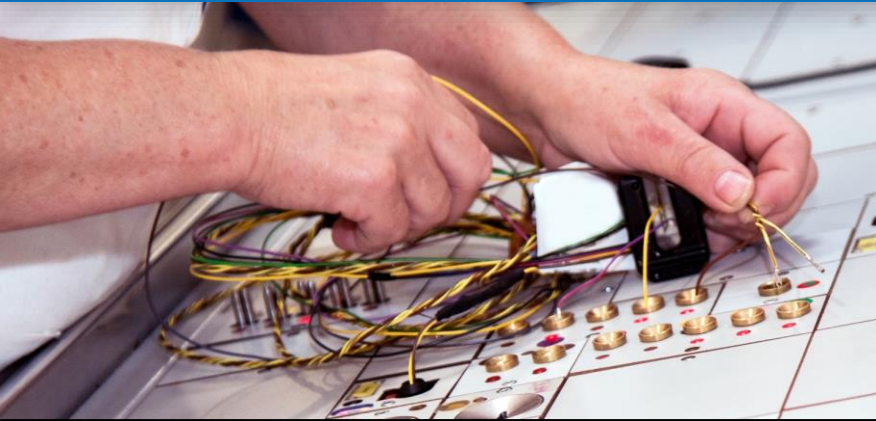
Military & Defense



Industrial Automation



- 2 new Electrical Systems plants ramping up in Mexico and Morocco
- We are evaluating an expansion of our Moroccan footprint



Optimize our Existing Businesses

- 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

Drive Organic Growth

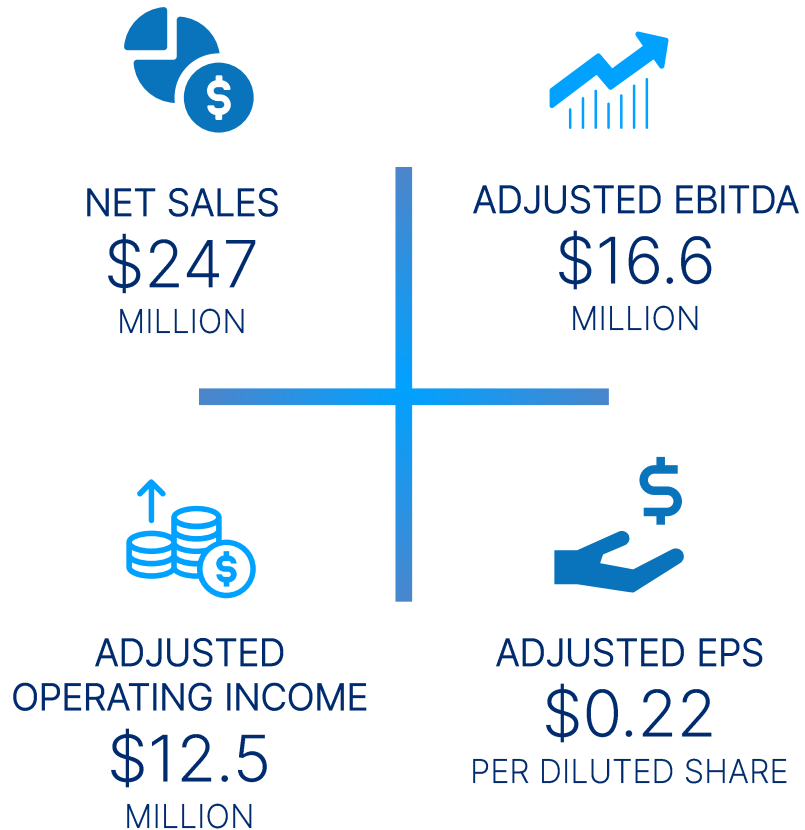
- Secular growth in Electric Vehicle market globally
- Expand and diversify our customer roster
- Expand product line-up and deliver system solutions
- Reduce cyclicity

Capital Allocation Strategy

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

Increase EBITDA and Free Cash Flow, Self-Fund Company Transformation

FINANCIAL HIGHLIGHTS



BUSINESS HIGHLIGHTS

IMPROVED PROFITABILITY



Adjusted EBITDA Up 16%

6.7% Adjusted EBITDA Margin up 100 bps

NEW BUSINESS WINS



~\$140 MILLION YTD

- New Wins secured year-to-date when fully ramped
- The majority of new business wins continue to be within our Electrical Systems segment

FCF AND DEBT PAYDOWN



\$15 MILLION YTD FCF

Net Leverage reduced to 1.5x

2 NEW ELECTRICAL SYSTEMS PLANTS



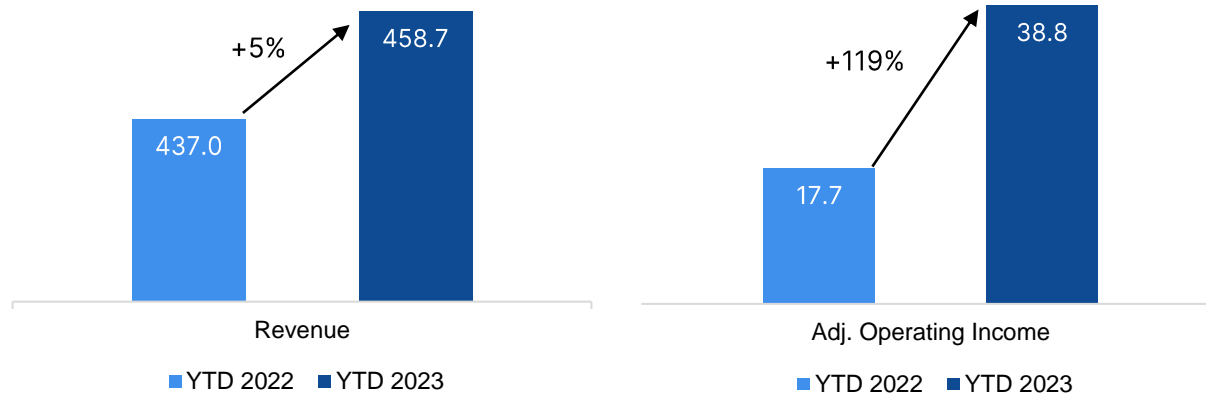
- Production ramping up at new Aldama, Mexico and Tangier, Morocco facilities

Financial Review

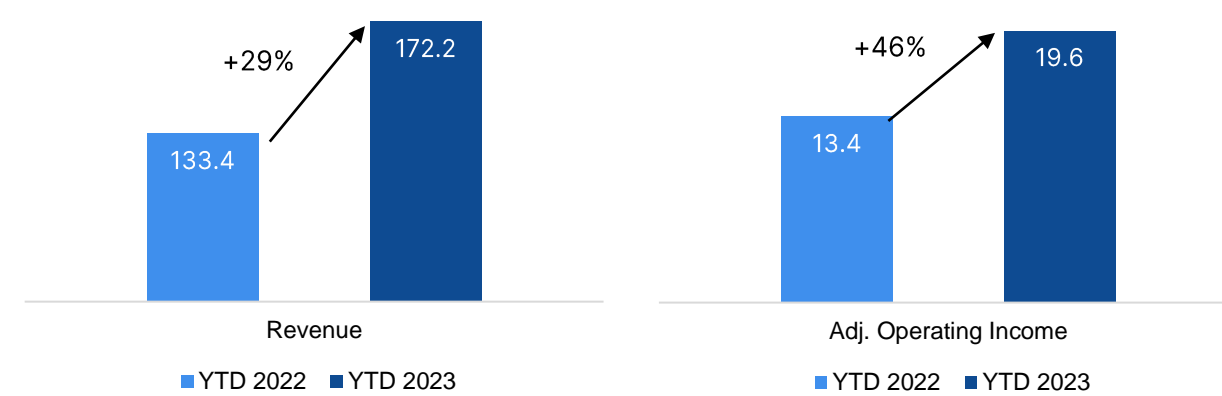
Q3 YTD – 2023
November 15, 2023

In millions

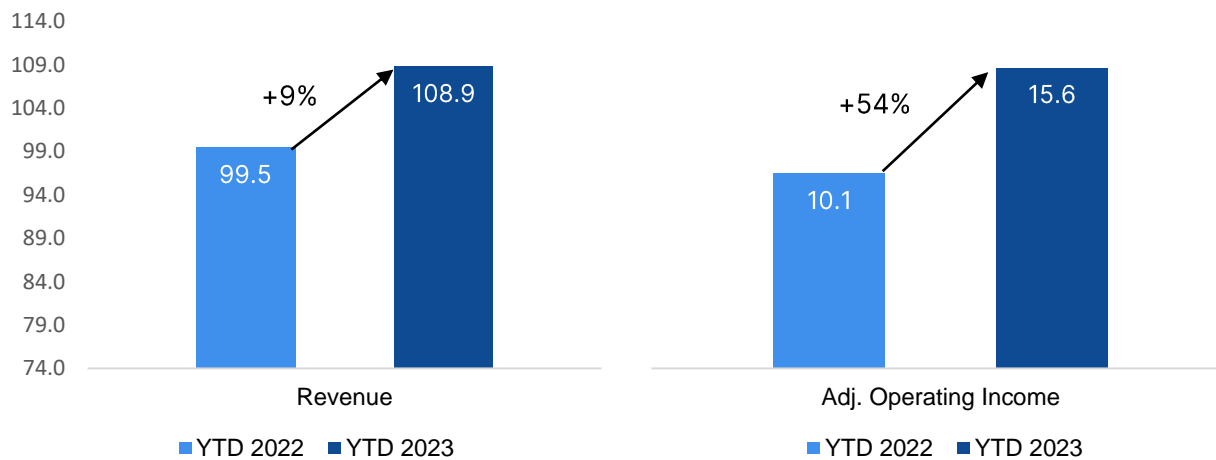
Vehicle Solutions



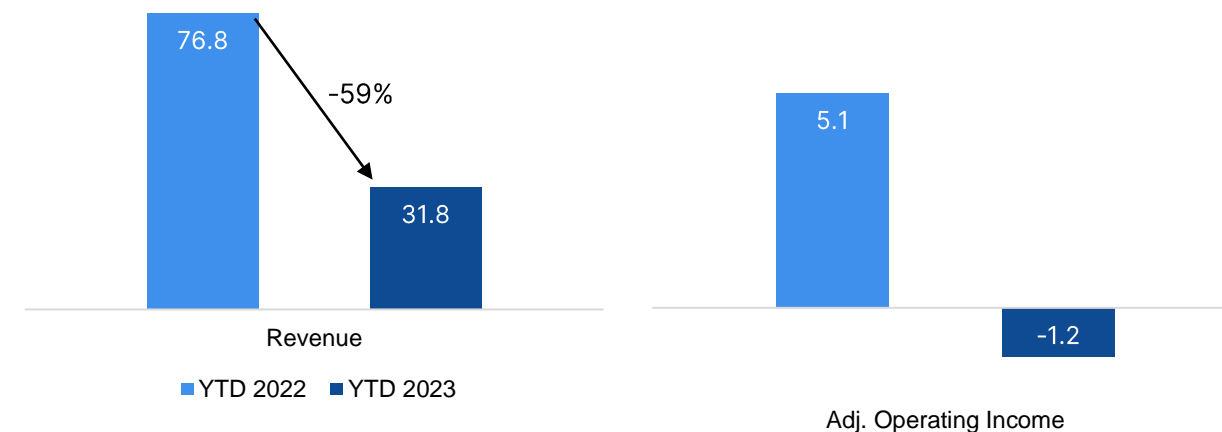
Electrical Systems



Aftermarket & Accessories



Industrial Automation




Total CVG revenue up 3.3% YTD and Adj. EBITDA up 42.2% YTD as of 9/30/23

■ YTD 2022 ■ YTD 2023



Appendix

Q3 – 2023
November 15, 2023



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 2023	Q3 2022
Operating Income/(Loss)	12.4	9.5
Restructuring	0.1	0.7
Deferred consideration purchase accounting	-	0.1
Executive transition	-	0.3
Adjusted Operating Income	12.5	10.6
<i>% of Revenues</i>	<i>5.1%</i>	<i>4.2%</i>
Net Income/(Loss)	7.3	3.6
Interest Expense	2.6	2.8
Provision (benefit) for income taxes	2.2	1.3
Depreciation Expense	3.6	3.7
Amortization Expense	0.8	0.8
EBITDA	16.6	12.2
<i>% of Revenues</i>	<i>6.7%</i>	<i>4.9%</i>
EBITDA Adjustments		
Restructuring	0.1	0.7
Deferred consideration purchase accounting	-	0.1
Executive Transition	-	0.3
Hryvnia fair value adjustments on forward exchange contracts	-	(0.1)
Pension settlement	-	1.1
Adjusted EBITDA	16.6	14.3
<i>% of Revenues</i>	<i>6.7%</i>	<i>5.7%</i>

Note: totals may not match due to rounding

Reconciliation of GAAP to Non-GAAP Financial Measures



(in millions)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Net income/(Loss)	2.6	4.0	2.5	3.6	(32.0)	8.7	10.1	7.3
Interest	1.7	2.0	2.1	2.8	2.9	2.9	2.8	2.6
Provision / (Benefit) for Income Taxes	1.9	1.4	0.9	1.3	17.4	3.3	2.7	2.2
Depreciation	3.8	3.5	3.7	3.7	3.7	3.4	3.5	3.6
Amortization	0.9	0.9	0.8	0.8	0.8	0.8	0.9	0.8
EBITDA	10.9	11.8	10.0	12.2	(7.1)	19.1	20.0	16.6
Adjustments								
Executive Transition	-	-	-	0.3	-	-	-	-
Restructuring	1.9	1.0	1.8	0.7	2.0	0.7	0.7	0.1
Investigation	-	-	-	-	-	-	-	-
Inventory adjustment	-	-	-	-	10.4	-	-	-
Deferred consideration purchase accounting	0.1	0.1	0.1	0.1	-	-	-	-
Loss on extinguishment of debt	-	-	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	12.9	13.5	12.4	14.3	13.3	19.8	20.8	16.6

Note: totals may not match due to rounding

(in millions except for share information)	Q3 2023	Q3 2022
Net income/(Loss)	7.3	3.6
Operating income (loss) adjustments	0.1	1.0
Hryvnia fair value adjustments on forward exchange contracts	-	(0.1)
Adjusted (benefit) provision for income taxes	-	(0.5)
Pension settlement	-	1.1
Adjusted net income (loss)	7.3	5.1
Diluted EPS	0.22	0.11
Adjustments to diluted EPS	-	0.04
Adjusted diluted EPS	0.22	0.15

For the Three Months Ended Sep 30, 2023						
(in millions)	Vehicle Solutions	Electrical Systems	Aftermarket	Industrial Automation	Corporate	Total
Operating Income/(Loss)	10.9	5.9	4.5	0.7	(9.5)	12.4
Restructuring	-	-	-	0.1	-	0.1
Adjusted Operating Income/(Loss)	10.9	5.9	4.5	0.8	(9.5)	12.5
% of Revenue	7.5%	10.9%	13.1%	5.8%		5.1%

For the Three Months Ended Sep 30, 2022						
(in millions)	Vehicle Solutions	Electrical Systems	Aftermarket	Industrial Automation	Corporate	Total
Operating Income/(Loss)	9.5	5.1	5.0	(0.9)	(9.1)	9.5
Restructuring	0.1	-	-	0.1	-	0.7
Deferred consideration purchase accounting	-	-	0.4	0.1	-	0.1
Executive transition	-	-	-	-	0.3	0.3
Adjusted Operating Income/(Loss)	9.6	5.1	5.4	(0.7)	(8.8)	10.6
% of Revenue	6.2%	11.2%	5.3%	(5.2%)		4.2%

(in millions)	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Cash Flow from Operations	\$ (21.4)	\$ 16.9	\$ 38.3	\$ 35.2	\$ 0.1	\$ 11.5	\$ 18.5
Capital Expenditures ¹	(3.6)	(5.0)	(3.9)	(7.2)	(3.3)	(5.9)	(6.0)
Free Cash Flow	(25.0)	11.9	34.4	28.0	(3.2)	5.6	12.5
¹ Net of proceeds from disposal/sale of property, plant, and equipment							