



Q3-2024 Earnings Presentation



James Ray – President & Chief Executive Officer
Andy Cheung – Executive Vice President & Chief Financial Officer

November 5, 2024

Forward Looking Statements and Non-GAAP Financial Measures

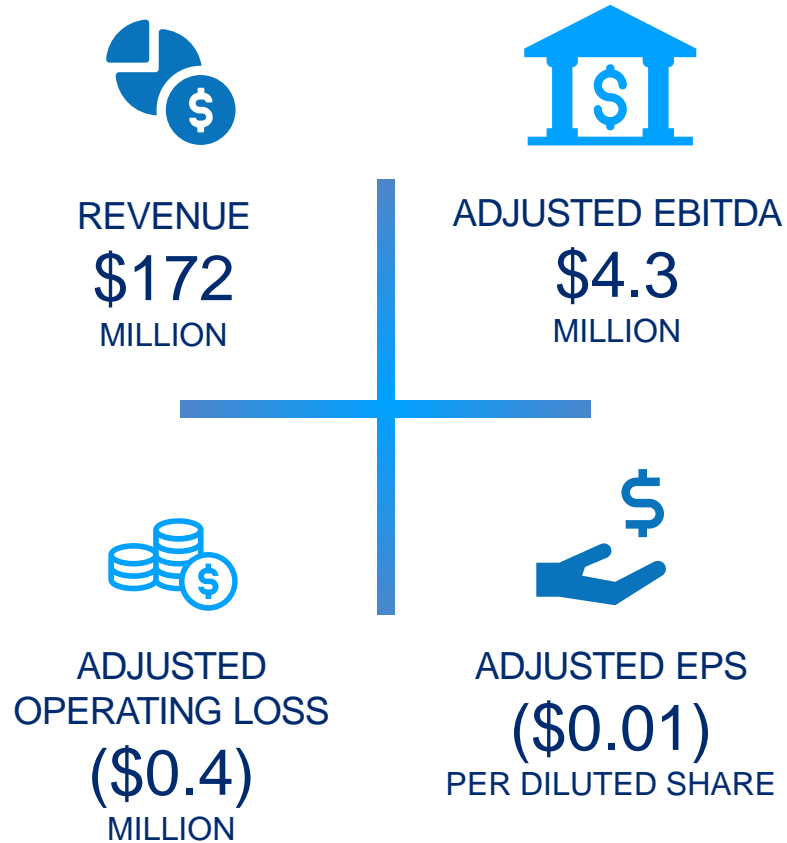


These slides contain forward-looking statements that are subject to risks and uncertainties. These statements often include words such as “believe”, “anticipate”, “plan”, “expect”, “intend”, “will”, “should”, “could”, “would”, “project”, “continue”, “likely”, and similar expressions. In particular, these 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, changes in the Class 8 and Class 5-7 North America truck build rates, performance of the global construction and agricultural equipment business, the Company’s prospects in the wire harness, 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 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 14 for use of non-GAAP financial measures.

Q3 2024 Overview

Q3 FINANCIAL OVERVIEW



Note: US GAAP net loss was (\$0.9M) for Q3 2024. GAAP loss per share was (\$0.03) for Q3 2024.



YTD TAKEAWAYS

DEBT PAYDOWN



\$13 MILLION

- Debt paydown this year driven by divestiture proceeds, with \$20 million additional received on October 1, 2024

NEW BUSINESS WINS



~\$95 MILLION

- Year-to-date program wins, estimated peak annual value when fully ramped, majority in Electrical System segment; with meaningful wins in Vehicle Solutions

PORTFOLIO TRANSITION



- Sold Cab Structures, Chillicothe facility, and FinishTEK
- Completed divestiture of Industrial Automation business in October 2024

HEADCOUNT REDUCTIONS



- Approximately 1,200 roles (~15% of prior year total) eliminated from continuing operations this year through restructuring and cost reduction efforts

Strategic Portfolio Actions Taken in 2024

	FinishTEK	Cab Structures	Chillicothe Facility	Industrial Automation
Overview	Sale of hydrographic and paint decorator	Sale of Kings Mountain cab structures facility	Sale of production facility, with prior production consolidated in other CVG facilities	Sale of business
Timing	Closed on 1/31/24	Closed on 10/1/24	Closed on 8/22/24	Closed on 10/30/24
Short-Term Impacts to CVG	Improved operational focus	Additional facility improvement costs and production inefficiencies ahead of deal closure	Production inefficiencies at facilities absorbing Chillicothe production	Removal of operating losses
Long-Term Benefits to CVG	Core operational focus, reduced complexity, and improved profitability	Reduced Class 8 exposure and lower capital intensity	Improved footprint capacity utilization, lower cost to serve customers, and improved margins	Core operational focus and improved profitability, reduced complexity

**Improved Operating Model
Allows CVG to:**



**Drive Accretive
Growth**

**Accelerate Margin
Expansion**

**Increase Capital
Efficiency**

**Enhance
Shareholder Value**

Key Leadership Changes to Strengthen Performance

	Global Leadership Changes	Strategic Goals
 <p>Peter Lugo</p>	<p>Electrical Systems Senior Leader</p> <ul style="list-style-type: none"> • Proven track record of delivering accretive growth (both organic and inorganic) across multiple, diverse end markets • 30+ years of relevant industry experience in Electric Systems across Industrial market segments • Brings extensive experience in business processes from leadership roles at top global companies 	<p>Drive Growth in Electrical Systems</p> <ul style="list-style-type: none"> • Electrical Systems growth remains a top priority • Business is poised to benefit from multiple secular megatrends, reduce cyclical, and increase end-market diversification • Mitigate the near-term demand pressure that has weighed on segment performance as two key end markets, Construction and Agriculture, have faced deterioration in recent quarters • Expand utilization of new facilities in Mexico and Morocco
 <p>Carlos Jimenez</p>	<p>Manufacturing and Supply Chain Expert</p> <ul style="list-style-type: none"> • Proven track record of driving operational transformation • Experience in optimizing supply chain performance • Strategic and tactical operational excellence deployment • 30+ years of relevant industry experience in the Automotive and Industrial sectors 	<p>Operating Model Refinement</p> <ul style="list-style-type: none"> • Centralize operations under a Subject Matter Expert • Focuses business leaders on commercial excellence • Enhance focus on supply chain excellence to cut operating costs and reduce customer ramp-up inefficiencies associated with fluctuating customer demand • Stabilize and refine Manufacturing Operating System • Lower structural costs, providing a base for accelerated growth

New Senior Leadership Adds Key Capabilities, Focused on Driving Growth and Improving Margins

Third Quarter 2024 Results

CONSOLIDATED RESULTS (Continuing Operations)

GAAP Measures	Three Months Ended Sep 30		Nine Months Ended Sep 30	
	2024	2023	2024	2023
<i>(\$ in millions except for share information)</i>				
Revenue	\$ 171.8	\$ 202.9	\$ 560.1	\$ 641.7
Operating Income	(1.1)	8.9	4.5	35.8
Operating Income Margin	(0.6%)	4.4%	0.8%	5.6%
Diluted EPS	(0.03)	0.14	(0.02)	0.63

NON-GAAP Measures	Three Months Ended Sep 30		Nine Months Ended Sep 30	
	2024	2023	2024	2023
<i>(\$ in millions except for share information)</i>				
Adjusted EBITDA	\$ 4.3	\$ 12.2	\$ 22.3	\$ 46.3
Adjusted EBITDA Margin	2.5%	6.0%	4.0%	7.2%
Adjusted Diluted EPS	(0.01)	0.14	0.12	0.64
Free Cash Flow	17.1	11.3	11.4	6.2

Commentary

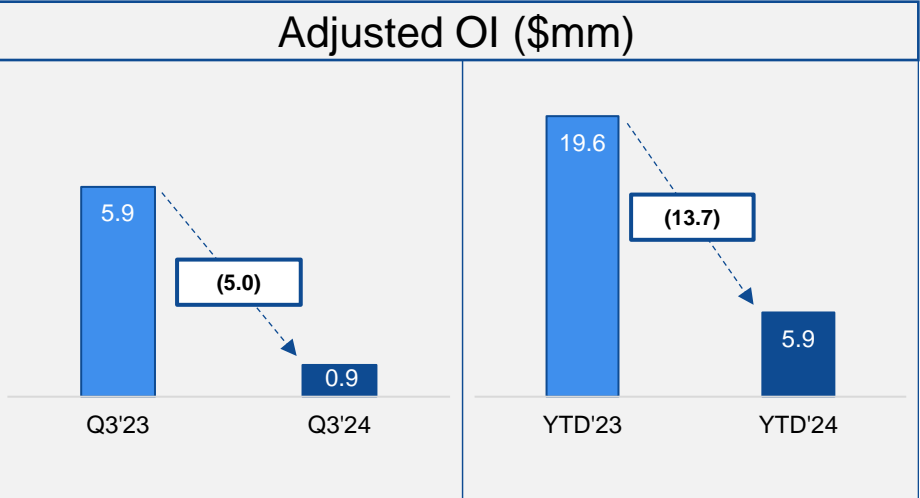
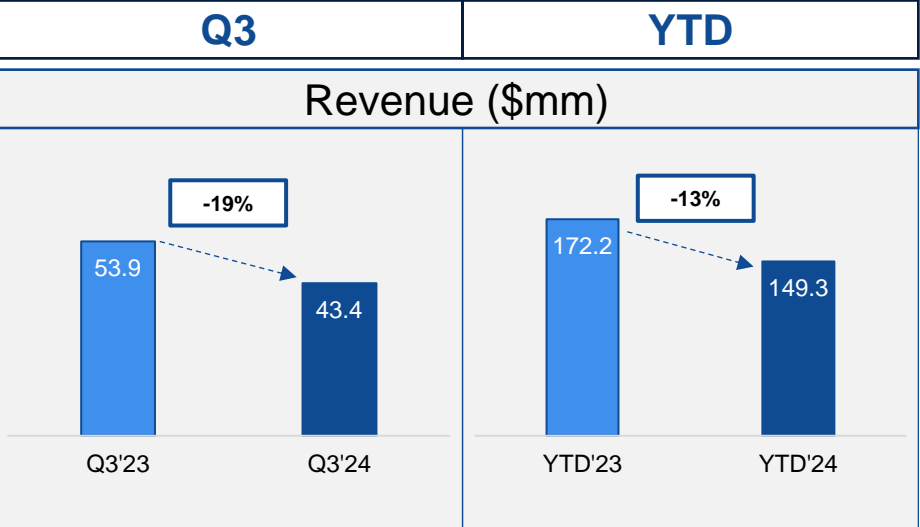
- Revenue down 15% in Q3 due to lower sales as a result of a softening in customer demand in our Vehicle Solutions and Electrical Systems segments
- Adjusted EBITDA down \$7.9 million, driven primarily by lower volumes, inflationary impacts, and operational inefficiencies
- Took strategic portfolio actions, contributions from Cab Structures and Industrial Automation businesses are now reclassified as discontinued operations, with the Cab Structures sale providing cash for debt paydown
- Adjusted EPS down \$0.15 driven by lower revenue and margins, partially offset by lower interest expense
- Net leverage at 2.5x*



* Net leverage from continuing operations, adjusted for cash proceeds received on 10/1/2024. Please see non-GAAP reconciliation tables in the Appendix.

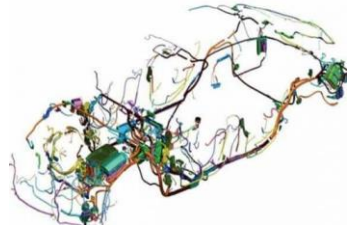
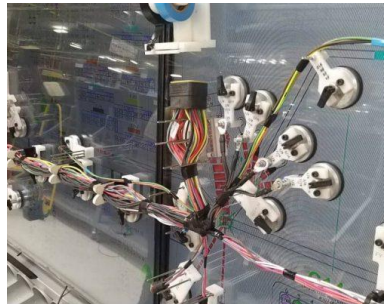
Electrical Systems

Sales and Adjusted Operating Income



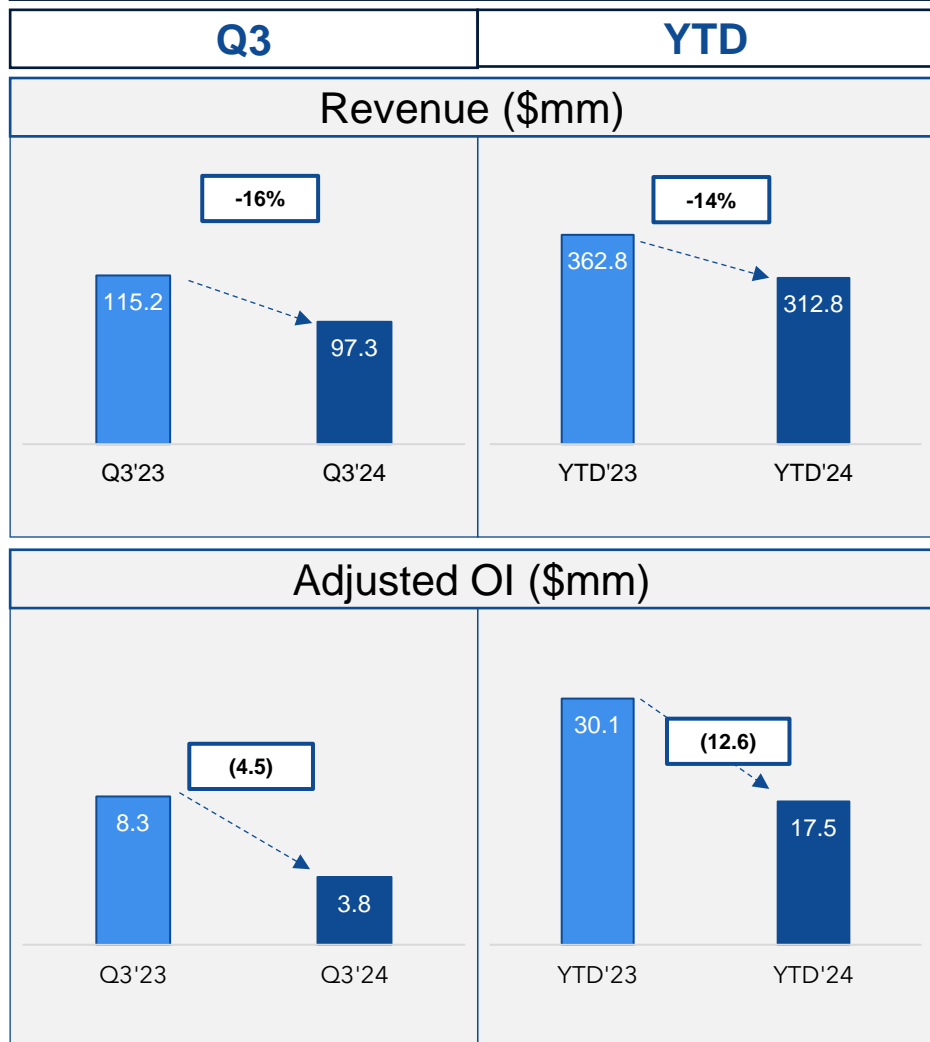
Commentary

- Revenue declined 19% in the quarter driven primarily by global Construction and Agriculture markets softening and slower ramp of new business wins
- Q3 adjusted OI declined \$5.0 million, driven by the impact of lower sales volumes and unfavorable foreign exchange
 - Underutilized capacity at new facilities driving inefficiencies
 - Restructuring actions taken in past quarters to align cost structure
- Majority of new business wins concentrated within the segment, with most launching in 2H 2025
- Strong pipeline of new business in Electrical Systems, further diversifying revenue profile
- Targeting Q1'25 occupancy at our new Moroccan facility to expand capacity with a lower cost production footprint



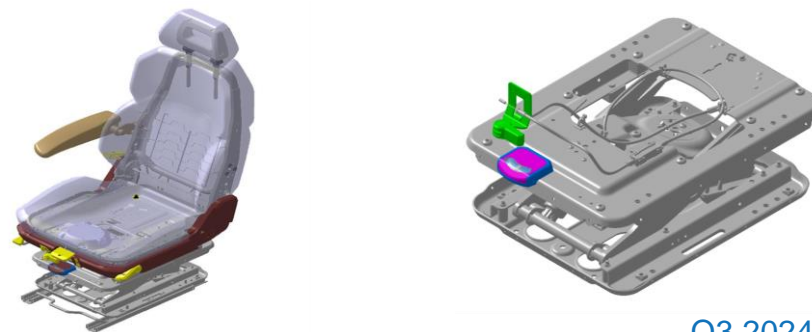
Vehicle Solutions

Sales and Adjusted Operating Income



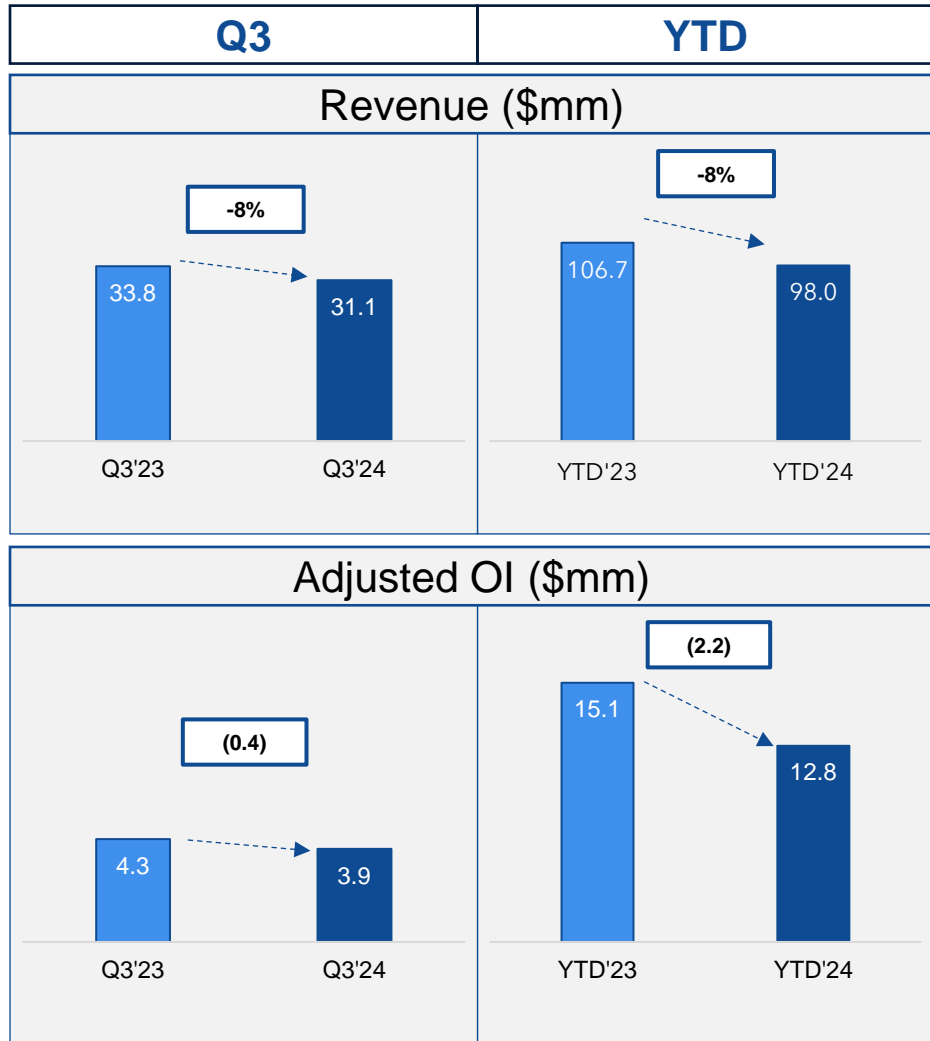
Commentary

- Q3 revenue declined 16% due to lower customer demand and wind-down of certain programs
- Q3 adjusted OI decline of \$4.5 million driven by lower volumes, operational investments, plant consolidation, new program launches, and increased freight costs
 - Expect improved operational performance going into 2025
- Focus on strengthening the core Vehicle Solutions business
 - Restructuring actions to reduce cost and inefficiencies
 - Accelerating operational excellence initiatives
 - Meaningful new wins in the segment



Aftermarket

Sales and Adjusted Operating Income



Commentary

- Q3 revenue declined 8% year-over-year with lower sales volume resulting from a reduction of backlog in the prior period and decreased customer demand
- Q3 adjusted OI decline of \$0.4 million on operational inefficiency remediation and lower sales
- Independent Aftermarket revenue funnel opportunities continue to expand
- Continued focus is on improving order-to-delivery lead times to drive customer demand

Seating



Mirrors

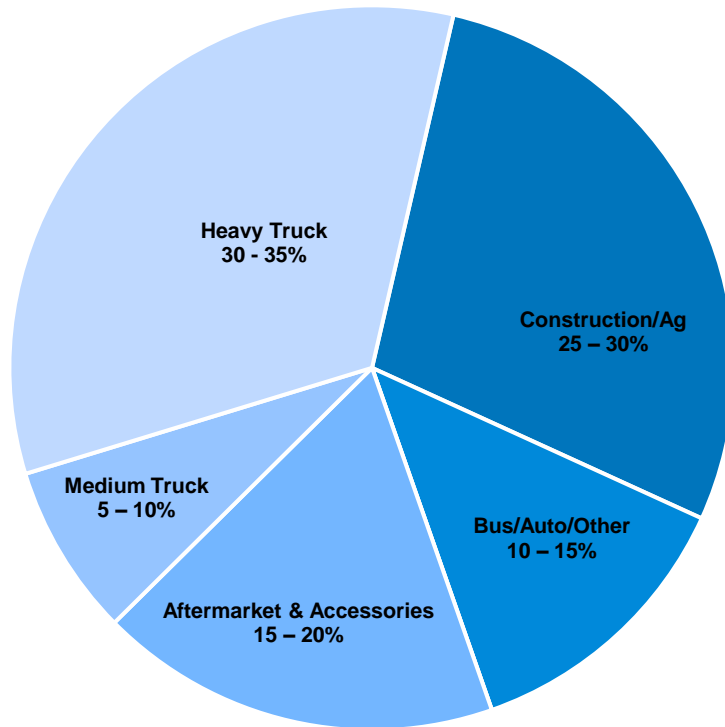


Wipers



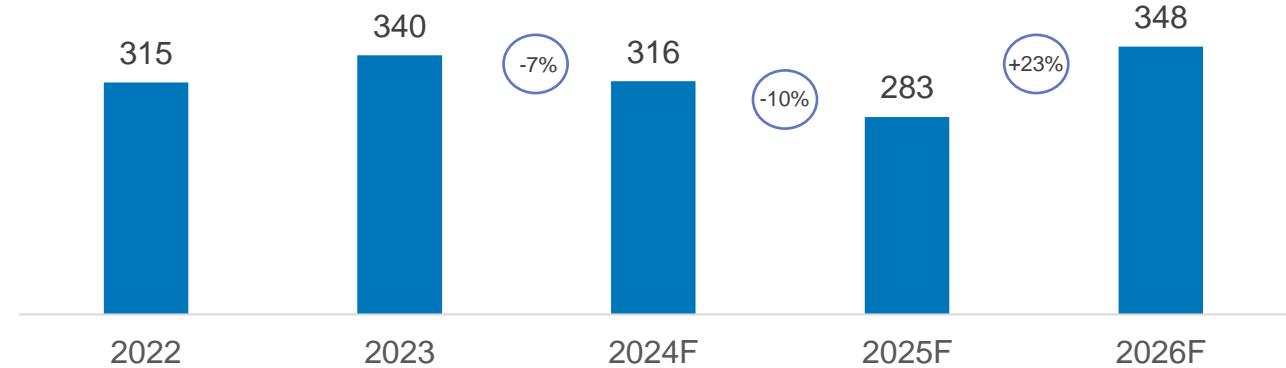
Key CVG Markets Update

CVG Revenue by End Market



NA Class 8 Heavy Truck Build Outlook

ACT Research is forecasting a weaker 2024/2025 followed by strong growth



Source: ACT Research

Units in Thousands

Construction and Agricultural Equipment Market Outlook

- Construction equipment end market seeing global weakening with year over year volumes declining ~10%*, driven by higher interest rates, weaker housing starts, and slower commercial real estate activity.
- Agriculture equipment end market experiencing year over year softening of ~15%*, driven by higher interest rates and lower agricultural commodity prices.
- Based on our customers' preliminary outlooks for early 2025, we expect both markets to be relatively flat year-over-year.
- CVG remains optimistic on these markets given replacement needs and underlying secular trends, with a return to growth in 2026.

*Source: Company estimates

Updated Fiscal 2024 Outlook

FY24 CVG Outlook (\$M)		
<u>Metric</u>	<u>Prior 2024 Outlook⁽¹⁾</u>	<u>Revised 2024 Outlook⁽¹⁾</u>
Net Sales	\$730 – \$780	\$710 – \$740
Adjusted EBITDA	\$28 - \$36	\$20 – \$25

(1) This outlook excludes any contribution from CVG's Cab Structures or Industrial Automation businesses in 2024. On October 1, 2024, CVG closed the previously announced sale of the Cab Structures business. Separately, CVG closed on the sale of the Industrial Automation business on October 30, 2024.

- **YoY Class 8 truck build rate of 316k (down ~7% y/y) similar to prior forecast; and continued weakness in construction and agricultural markets**
 - ✓ Closely monitoring the volatility and uncertainty of market environment
- **Full year 2024 margin performance down 320-380bps compared to 2023**
 - ✓ Lower volumes across all segments with high decremental margins
 - ✓ Proactive actions to address operational performance, offset inflation and reduce costs
- **Focus on debt paydown in 2024**
 - ✓ Asset sale proceeds primarily used to reduce debt outstanding

Guidance Reflects Strategic Portfolio Actions, YTD Performance, and Outlook


Building a Stronger Future...

Segment	Vehicle Solutions	Electrical Systems	Aftermarket	Corporate
Key Actions	<ul style="list-style-type: none"> Improved efficiency, completed sale of Cab Structures business and Chillicothe production facility 	<ul style="list-style-type: none"> Headcount reduction and capacity utilization shifting to lower-cost facilities Added new Senior Leader to focus on strategic goals in the business 	<ul style="list-style-type: none"> Taking steps to improve seat delivery performance and reduce lead times 	<ul style="list-style-type: none"> Centralized global operations under new Senior Leader to accelerate operational excellence
Expected Outcome	<ul style="list-style-type: none"> Resolution of operating challenges positions CVG for improved operating leverage 	<ul style="list-style-type: none"> Lower cost structure for new business launch and end market recovery 	<ul style="list-style-type: none"> Better positioned to capitalize in an improved customer demand environment 	<ul style="list-style-type: none"> Improved efficiency of CVG's global operations and supply chain

Expect Adj. EBITDA margin improvement in 2025 and beyond

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 2024	Q3 2023	YTD 2024	YTD 2023
Operating Income/(Loss)	(1.1)	8.9	4.5	35.8
Restructuring	4.2	-	9.8	0.4
Gain on sale of fixed assets	(3.5)		(3.5)	
Adjusted Operating Income	(0.4)	8.9	10.7	36.2
% of Revenues	(0.2%)	4.4%	1.9%	5.6%
Net Income/(Loss)	(0.9)	4.7	(0.7)	21.1
Interest Expense	2.4	2.5	7.0	7.9
Provision (benefit) for income taxes	(1.5)	1.4	(1.1)	6.3
Depreciation Expense	3.6	3.4	10.4	9.7
Amortization Expense	0.1	0.3	0.5	0.8
EBITDA	3.7	12.2	16.0	45.9
% of Revenues	2.1%	6.0%	2.9%	7.1%
EBITDA Adjustments				
Restructuring	4.2	-	9.8	0.4
(Gain) loss on sale of fixed assets	(3.5)	-	(3.5)	-
Adjusted EBITDA	4.4	12.2	22.3	46.3
% of Revenues	2.5%	6.0%	4.0%	7.2%



Note: totals may not match due to rounding

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

(in millions except for share information)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
Net income/(Loss) from continuing operations	(0.9)	4.7	(0.7)	21.1
Operating income (loss) adjustments	0.7	-	6.2	0.4
Adjusted (benefit) provision for income taxes	(0.2)	-	(1.6)	(0.1)
Adjusted net income (loss) from continuing operations	(0.4)	4.7	3.9	21.4
Diluted EPS	(0.03)	0.14	(0.02)	0.63
Adjustments to diluted EPS	0.02	-	0.14	0.01
Adjusted diluted EPS	(0.01)	0.14	0.12	0.64



Note: totals may not match due to rounding

Segment GAAP to Non-GAAP QTD

For the Three Months Ended September 30, 2024

(in millions)	Vehicle Solutions	Electrical Systems	Aftermarket	Corporate	Total
Operating Income/(Loss)	5.1	(0.4)	3.1	(9.0)	(1.1)
Restructuring	2.2	1.3	0.8	-	4.2
Gain on Sale of Fixed Assets	(3.5)	-	-	-	(3.5)
Adjusted Operating Income/(Loss)	3.8	0.9	3.9	(9.0)	(0.4)
% of Revenue	3.9%	2.1%	12.5%	-	(0.2)%

For the Three Months Ended September 30, 2023

(in millions)	Vehicle Solutions	Electrical Systems	Aftermarket	Corporate	Total
Operating Income/(Loss)	8.3	5.9	4.3	(9.5)	8.9
Restructuring	-	-	-	-	-
Adjusted Operating Income/(Loss)	8.3	5.9	4.3	(9.5)	8.9
% of Revenue	7.2%	10.9%	12.8%	-	4.4%

Segment GAAP to Non-GAAP YTD

For the Nine Months Ended September 30, 2024					
(in millions)	Vehicle Solutions	Electrical Systems	Aftermarket	Corporate	Total
Operating Income/(Loss)	16.2	2.1	11.9	(25.7)	4.5
Restructuring	4.9	3.7	1.0	0.2	9.8
Gain on Sale of Assets	(3.5)	-	-	-	(3.5)
Adjusted Operating Income/(Loss)	17.5	5.9	12.8	(25.5)	10.7
% of Revenue	5.6%	3.9%	13.1%	-	1.9%

For the Nine Months Ended September 30, 2023					
(in millions)	Vehicle Solutions	Electrical Systems	Aftermarket	Corporate	Total
Operating Income/(Loss)	29.7	19.6	15.1	(28.5)	35.8
Restructuring	0.4	0.0	-	-	0.4
Adjusted Operating Income/(Loss)	30.1	19.6	15.1	(28.5)	36.2
% of Revenue	8.3%	11.4%	14.1%	-	5.6%



Reconciliation of GAAP to Non-GAAP Cash Flow Information

(in millions)	Q3 2024	Q3 2023	YTD 2024	YTD 2023
CONTINUING OPERATIONS				
Cash Flow from Operations	\$ (4.2)	\$ 16.9	\$ (2.3)	\$ 21.0
Capital Expenditures ¹	1.6	(5.6)	(9.3)	(14.8)
Proceeds From Sale of Business	19.8	-	23.0	-
Free Cash Flow from Continuing Operations	17.1	11.3	11.4	6.2
DISCONTINUED OPERATIONS				
Cash Flow from Operations	\$ (12.9)	\$ 1.5	\$ (4.6)	\$ 9.0
Capital Expenditures ¹	(0.4)	(0.4)	(0.8)	(0.4)
Free Cash Flow from Discontinued Operations	(13.3)	1.1	(5.4)	8.6
TOTAL COMPANY				
Cash Flow from Operations	\$ (17.1)	\$ 18.5	\$ (6.8)	\$ 30.0
Capital Expenditures ¹	1.2	(6.0)	(10.1)	(15.2)
Proceeds From Sale of Business	19.8	-	23.0	-
Free Cash Flow	3.9	12.5	6.0	14.8
¹ Net of proceeds from disposal/sale of property, plant, and equipment				

Reconciliation of GAAP to Non-GAAP Financial Measures

(in millions)	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Net Income/(Loss)	22.3	1.4	(1.3)	(0.9)
Interest Expense	2.3	2.2	2.4	2.4
Provision (benefit) for income taxes	(21.3)	0.7	(0.3)	(1.5)
Depreciation Expense	3.4	3.5	3.5	3.6
Amortization Expense	0.2	0.2	0.1	0.1
EBITDA	6.9	8.0	4.5	3.7
EBITDA Adjustments				
Restructuring	1.4	1.8	3.7	4.2
(Gain) loss on sale of fixed assets	-	-	-	(3.5)
Executive transition	0.7	-	-	-
Adjusted EBITDA	9.0	9.8	8.2	4.4
Adjust EBITDA (TTM)				31.4
Long-Term Debt at End of Quarter				125.8
Current Portion of LT and ST Debt at End of Quarter				3.0
Cash at End of Quarter				(30.9)
Net Debt at End of Quarter				97.9
Cash Proceeds Received on 10/1/2024				(20.0)
Net Debt Adjusted for Cash Proceeds				77.9
Leverage Ratio (Continuing Operations, adjusted for Cash Proceeds)				2.5x



Note: totals may not match due to rounding