

REFINITIV

## DELTA REPORT

### 10-Q

CVGI - COMMERCIAL VEHICLE GROUP,

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

**TOTAL DELTAS** 535

█ **CHANGES** 215

█ **DELETIONS** 112

█ **ADDITIONS** 208

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2024** **June 30, 2024**  
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number 001-34365

**COMMERCIAL VEHICLE GROUP, INC.**

(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)  
7800 Walton Parkway  
New Albany, Ohio  
(Address of principal executive offices)

41-1990662  
(I.R.S. Employer  
Identification No.)

43054  
(Zip Code)

(614) 289-5360  
(Registrant's telephone number, including area code)  
Not Applicable  
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CVGI	The NASDAQ Global Select Market

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of the Registrant's common stock, par value \$0.01 per share, at **May 6, 2024** **August 5, 2024** was **34,377,823** **34,501,771** shares.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10-Q

PART I FINANCIAL INFORMATION

<b>ITEM 1 – FINANCIAL STATEMENTS</b>	1
Condensed Consolidated Statements of Operations	1
Condensed Consolidated Statements of Comprehensive Income (Loss)	2
Condensed Consolidated Balance Sheets	3
Condensed Consolidated Statements of Cash Flows	4
Condensed Consolidated Statements of Stockholders' Equity	5
Notes to Condensed Consolidated Financial Statements	6
<b>ITEM 2 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</b>	18 21
<b>ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</b>	23 29
<b>ITEM 4 – CONTROLS AND PROCEDURES</b>	23 29
 <b>PART II OTHER INFORMATION</b>	 25 31
<b>ITEM 1 Legal Proceedings</b>	25 31
<b>ITEM 1A Risk Factors</b>	25 31
<b>ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds</b>	25 31
<b>ITEM 3 Defaults Upon Senior Securities</b>	25 31
<b>ITEM 4 Mine Safety Disclosures</b>	25 31
<b>ITEM 5 Other Information</b>	25 31
<b>ITEM 6 Exhibits</b>	25 31
 <b>SIGNATURE</b>	 26 32

i

PART I. FINANCIAL INFORMATION

ITEM 1 – FINANCIAL STATEMENTS

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024		2023	2024
	(Unaudited)	(In thousands, except per share amounts)	(Unaudited)	(In thousands, except per share amounts)
Revenues				
Cost of revenues				
Cost of revenues				
Cost of revenues				
Gross profit				

Gross profit
Gross profit
Selling, general and administrative expenses
Selling, general and administrative expenses
Selling, general and administrative expenses
Operating income
Operating income
Operating income
Other expense (income)
Other expense (income)
Other expense (income)
Interest expense
Interest expense
Other expense
Interest expense
Income before provision for income taxes
Income before provision for income taxes
Income before provision for income taxes
Provision for income taxes
Provision for income taxes
Provision for income taxes
Income (loss) before provision for income taxes
Income (loss) before provision for income taxes
Income (loss) before provision for income taxes
Provision (benefit) for income taxes
Net income
Net income (loss)
Net income (loss)
Net income
Net income
Earnings per Common Share:
Earnings per Common Share:
Earnings per Common Share:
Net income (loss)
Earnings (loss) per Common Share:
Basic
Basic
Basic
Diluted
Diluted
Diluted
Weighted average shares outstanding:
Weighted average shares outstanding:
Weighted average shares outstanding:
Basic
Basic
Basic
Diluted
Diluted
Diluted

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(Unaudited) (In thousands)			
<b>Net income</b>				
Other comprehensive income (loss):				
Other comprehensive income (loss):				
<b>Net income (loss)</b>				
Other comprehensive income (loss):				
Foreign currency exchange translation adjustments				
Foreign currency exchange translation adjustments				
Foreign currency exchange translation adjustments				
Minimum pension liability, net of tax				
Minimum pension liability, net of tax				
Minimum pension liability, net of tax				
Derivative instruments, net of tax				
Derivative instruments, net of tax				
Derivative instruments, net of tax				
Other comprehensive income (loss)				
Other comprehensive income (loss)				
Other comprehensive income (loss)				
<b>Comprehensive income</b>				
Comprehensive income (loss)				
Comprehensive income (loss)				
Comprehensive income				
Comprehensive income				
<b>Comprehensive income (loss)</b>				

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	March 31, 2024	December 31, 2023		
	June 30, 2024	December 31, 2023		
	(Unaudited)			
(In thousands, except share and per share amounts)				
<b>ASSETS</b>				
Current Assets:				
Cash				
Cash				

Cash	
Accounts receivable, net of allowances of \$225 and \$208, respectively	
Accounts receivable, net of allowances of \$177 and \$208, respectively	
Inventories	
Other current assets	
Other current assets	
Other current assets	
Total current assets	
Property, plant and equipment, net	
Intangible assets, net	
Intangible assets, net	
Intangible assets, net	
Deferred income taxes	
Other assets, net	
Total assets	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
Current liabilities:	
Accounts payable	
Accounts payable	
Accounts payable	
Accrued liabilities and other	
Accrued liabilities and other	
Accrued liabilities and other	
Current portion of long-term debt and short-term debt	
Total current liabilities	
Long-term debt	
Pension and other post-retirement benefits	
Pension and other post-retirement benefits	
Pension and other post-retirement benefits	
Other long-term liabilities	
Total liabilities	
Stockholders' equity:	
Preferred stock, \$0.01 par value (5,000,000 shares authorized; no shares issued and outstanding)	
Preferred stock, \$0.01 par value (5,000,000 shares authorized; no shares issued and outstanding)	
Preferred stock, \$0.01 par value (5,000,000 shares authorized; no shares issued and outstanding)	
Common stock, \$0.01 par value (60,000,000 shares authorized; 33,325,973 and 33,322,535 shares issued and outstanding respectively)	
Treasury stock, at cost: 2,136,635 and 2,134,604 shares, respectively	
Common stock, \$0.01 par value (60,000,000 shares authorized; 33,443,964 and 33,322,535 shares issued and outstanding respectively)	
Treasury stock, at cost: 2,139,458 and 2,134,604 shares, respectively	
Additional paid-in capital	
Retained deficit	
Accumulated other comprehensive loss	
Total stockholders' equity	
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

Three Months Ended March 31,

Six Months Ended June 30,

	2024	2023	2024	2023
	(Unaudited)			
	(In thousands)	(In thousands)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income				
Net income				
Net income				
<b>Adjustments to reconcile net income to cash flows from operating activities:</b>				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
Noncash amortization of debt financing costs				
Noncash amortization of debt financing costs				
Noncash amortization of debt financing costs				
Pension cash reversion				
Share-based compensation expense				
Share-based compensation expense				
Share-based compensation expense				
Deferred income taxes				
Non-cash loss (income) on derivative contracts				
Change in other operating items:				
Change in other operating items:				
Change in other operating items:				
Accounts receivable				
Accounts receivable				
Accounts receivable				
Inventories				
Prepaid expenses				
Accounts payable				
Other operating activities, net				
<b>Net cash (used in) provided by operating activities</b>				
<b>Net cash provided by operating activities</b>				
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of property, plant and equipment				
Purchases of property, plant and equipment				
Purchases of property, plant and equipment				
Proceeds from sale of business				
Proceeds from sale of business				
Proceeds from sale of business				
<b>Net cash used in investing activities</b>				
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Repayment of term loan facility				
Repayment of term loan facility				
Repayment of term loan facility				
Borrowings under revolving credit facility				
Borrowings under revolving credit facility				
Borrowings under revolving credit facility				
<b>Repayment of revolving credit facility</b>				
Surrender of shares to pay withholding taxes				
Surrender of shares to pay withholding taxes				
Surrender of shares to pay withholding taxes				

Other financing activities
Other financing activities
Other financing activities

**Net cash provided by financing activities**

EFFECT OF CURRENCY EXCHANGE RATE CHANGES ON CASH

EFFECT OF CURRENCY EXCHANGE RATE CHANGES ON CASH

EFFECT OF CURRENCY EXCHANGE RATE CHANGES ON CASH

NET INCREASE IN CASH

NET INCREASE IN CASH

NET INCREASE IN CASH

CASH:

CASH:

CASH:

Beginning of period

Beginning of period

Beginning of period

End of period

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

Common Stock	Treasury Stock	Additional Paid In Capital	Retained Deficit	Accumulated Other Comp. Loss	Total CVG Stockholders' Equity	Common Stock	Treasury Stock	Additional Paid In Capital	Retained Deficit	Accumulated Other Comp. Loss	Total CVG Stockholders' Equity
(Unaudited) (In thousands)											
(Unaudited) (In thousands)											
(Unaudited) (In thousands)											

Balance - December 31, 2022

Share-based compensation expense

Total comprehensive income

Balance - March 31, 2023

Share-based compensation expense

Total comprehensive income

Balance - June 30, 2023

Balance - December 31, 2023

Balance - December 31, 2023

Balance - December 31, 2023

Share-based compensation expense

Total comprehensive income (loss)
Balance - March 31, 2024
Share-based compensation expense
Total comprehensive loss
Balance - June 30, 2024

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

## COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

### NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

(Amounts in thousands, except for share and per share amounts and where specifically disclosed)

#### 1. Description of Business and Basis of Presentation

Commercial Vehicle Group, Inc. and its subsidiaries, is a global provider of systems, assemblies and components to the global commercial vehicle market, the electric vehicle market, and the industrial automation markets. References herein to the "Company", "CVG", "we", "our", or "us" refer to Commercial Vehicle Group, Inc. and its subsidiaries.

We have manufacturing operations in the United States, Mexico, China, United Kingdom, Czech Republic, Ukraine, Thailand, India, Australia and Morocco. Our products are primarily sold in North America, Europe, and the Asia-Pacific region.

We primarily manufacture customized products to meet the requirements of our customers. We believe our products are used by a majority of the North American Commercial Truck manufacturers, many construction vehicle original equipment manufacturers ("OEMs"), parts and service dealers, distributors, as well as top e-commerce retailers.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States of America and the rules and regulations of the Securities and Exchange Commission and include the accounts of the Company and its subsidiaries. Except as disclosed within these condensed notes to unaudited quarterly consolidated financial statements, the adjustments made were of a normal, recurring nature. Certain information and footnote disclosures normally included in our annual consolidated financial statements have been condensed or omitted.

The preparation of financial statements in conformity with GAAP in the United States requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. We adjust such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in these estimates resulting from continuing changes in the economic environment will be reflected in the consolidated financial statements in future periods.

These condensed notes to unaudited quarterly consolidated financial statements should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K"), which includes a complete set of footnote disclosures, including the Company's significant accounting policies.

#### 2. Recently Issued Accounting Pronouncements

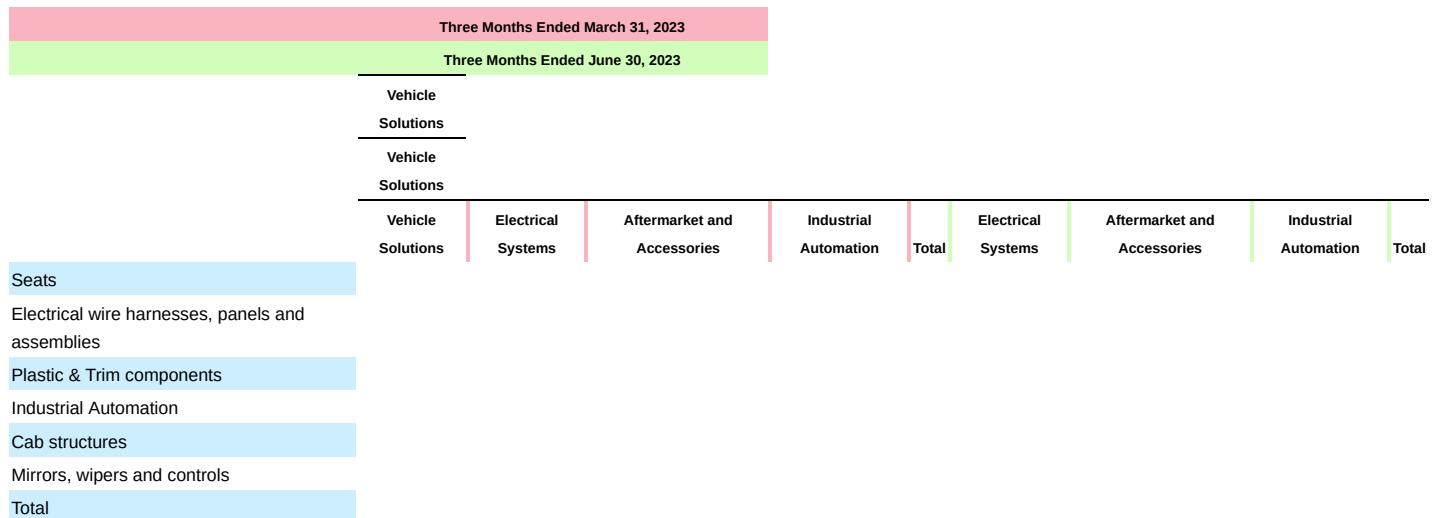
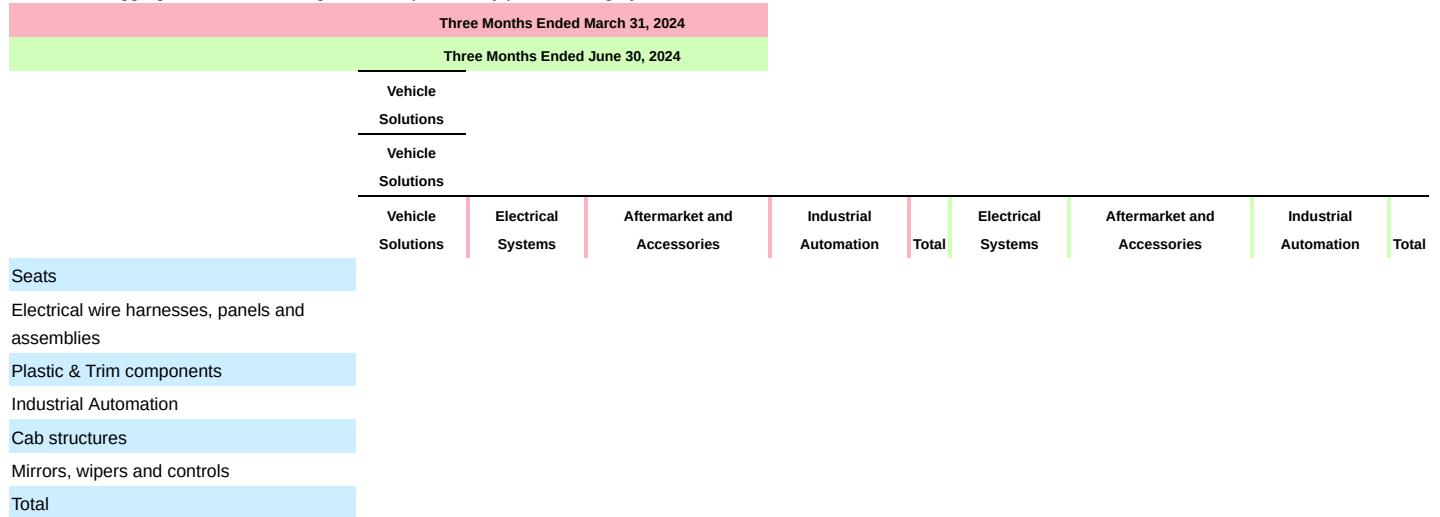
In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-07, Improvements to Reportable Segment Disclosures (Topic 280). This ASU updates reportable segment disclosure requirements by requiring disclosures of significant reportable segment expenses that are regularly provided to the Chief Operating Decision Maker ("CODM") and included within each reported measure of a segment's profit or loss. This ASU also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of a segment's profit or loss in assessing segment performance and deciding how to allocate resources. The ASU is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Adoption of the ASU should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is also permitted. This ASU will likely result in us including the additional required disclosures when adopted. We are currently evaluating the provisions of this ASU and expect to adopt them for the year ending December 31, 2024.

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. This ASU will result in the required additional disclosures being included in our consolidated financial statements, once adopted.

#### 3. Revenue Recognition

We had outstanding customer accounts receivable, net of allowances, of **\$145.1 million** **\$138.7 million** as of **March 31, 2024** **June 30, 2024** and \$133.9 million as of December 31, 2023. We generally do not have material other assets or liabilities associated with customer arrangements.

**Revenue Disaggregation** - The following is the composition, by product category, of our revenues:



	Six Months Ended June 30, 2024					
	Vehicle Solutions		Electrical Systems		Aftermarket and Accessories	
	Vehicle	Solutions	Electrical	Systems	Aftermarket	and Accessories
Seats	\$ 129,693	\$ —	\$ 32,279	\$ —	\$ 161,972	
Electrical wire harnesses, panels and assemblies	1,229	105,947	6,418	9,034	122,628	
Plastic & Trim components	82,008	—	3,975	—	85,983	
Industrial Automation	—	—	—	258	258	
Cab structures	63,325	—	1,067	—	64,392	
Mirrors, wipers and controls	2,559	—	24,182	—	26,741	
Total	\$ 278,814	\$ 105,947	\$ 67,921	\$ 9,292	\$ 461,974	

Six Months Ended June 30, 2023					

	Vehicle Solutions	Electrical Systems	Aftermarket and Accessories	Industrial Automation	Total
Seats	\$ 147,886	\$ —	\$ 37,878	\$ —	\$ 185,764
Electrical wire harnesses, panels and assemblies	—	118,373	7,769	9,845	135,987
Plastic & Trim components	94,951	—	4,346	—	99,297
Industrial Automation	—	—	—	8,912	8,912
Cab structures	65,718	—	1,565	—	67,283
Mirrors, wipers and controls	4,760	—	22,900	—	27,660
<b>Total</b>	<b>\$ 313,315</b>	<b>\$ 118,373</b>	<b>\$ 74,458</b>	<b>\$ 18,757</b>	<b>\$ 524,903</b>

#### 4. Debt

Debt consisted of the following:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Term loan facility		
Revolving credit facility		
Unamortized issuance costs		
Unamortized issuance costs		
Unamortized issuance costs	\$ —	
Less: current portion of long-term debt		
Total long-term debt, net of current portion		

#### Credit Agreement

On April 30, 2021, the Company and certain of its subsidiaries entered into a credit agreement (the "Credit Agreement") between, among others, Bank of America, N.A. as administrative agent (the "Administrative Agent") and other lenders party thereto (the "Lenders") pursuant to which the Lenders made available a \$150 million Term Loan Facility (the "Term Loan Facility") and a \$125 million Revolving Credit Facility (the "Revolving Credit Facility" and together with the Term Loan Facility, the "Credit Facilities").

On May 12, 2022, the Company and certain of its subsidiaries entered into a second amendment (the "Amendment") to its Credit Agreement pursuant to which the Lenders upsized the existing term loan facility to \$175 million in aggregate principal amount and increased the revolving credit facility commitments by \$25 million to an aggregate of \$150 million in revolving credit facility commitments.

On July 30, 2024, the Company and certain of its subsidiaries, as guarantors, entered into an Amendment No. 3, which amends the Credit Agreement. Amendment No.3 amends the terms of the existing Credit Agreement to limit the mandatory prepayment requirements for certain specified asset dispositions of the Company and certain of its subsidiaries.

At **March 31, 2024** **June 30, 2024**, we had **\$17.5 million** **\$7.0 million** of borrowings under the Revolving Credit Facility, outstanding letters of credit of \$1.1 million and availability of **\$131.4 million** **\$141.9 million**. Combined with availability under our China Credit Facility (described below) of approximately **\$11.1 million** **\$11.0 million**, total consolidated availability was **\$142.5 million** **\$152.9 million** at **March 31, 2024** **June 30, 2024**. The unamortized deferred financing fees associated with the Revolving Credit Facility of **\$0.9 million** **\$0.8 million** and \$1.0 million as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively, are being amortized over the remaining life of the Credit Agreement. At December 31, 2023, we had no borrowings under the Revolving Credit Facility and we had outstanding letters of credit of \$1.2 million.

#### Covenants and other terms

The Credit Agreement includes (a) a minimum consolidated fixed charge coverage ratio of 1.20:1.0, and (b) a maximum consolidated total leverage ratio of 3.75:1.0 (which was subject to step-down to 3.50:1.0 at the end of the fiscal quarter ending March 31, 2023; to 3.25:1.0 at the end of the fiscal quarter ending June 30, 2023; and to 3.00:1.0 for each fiscal quarter ending on and after September 30, 2023). **1.0**.

We were in compliance with these covenants as of **March 31, 2024** **June 30, 2024**.

#### Repayment and prepayment

The Credit Agreement requires the Company to make quarterly amortization payments to the Term Loan Facility at an annualized rate of the loans under the Term Loan Facility for every year as follows: 5.0%, 7.5%, 10.0%, 12.5% and 15.0%. The

Credit Agreement also requires all outstanding amounts under the Credit Facilities to be repaid in full on the Maturity Date. See Note 15, Commitments and Contingencies, for the future minimum principal payments due on long-term debt for the next five years.

#### Foreign Facility

**In** During the quarter ended March 31, 2023, we established a credit facility in China consisting of a line of credit which is subject to annual renewal (the "China Credit Facility"). The China Credit Facility was renewed **in** during the quarter ended December 31, 2023, with availability of approximately \$11.3 million (denominated in the local currency). We utilize the China Credit Facility to meet local working capital demands, fund letters of credit and bank guarantees, and support other short-term cash requirements **in** of our China operations. We had no outstanding borrowings under the China Credit Facility as of **March 31, 2024** **June 30, 2024** and December 31, 2023. At **March 31, 2024** **June 30, 2024**, we had **\$11.1 million** **\$11.0 million** (denominated in the local currency and this amount varies based on the currency conversion rate) of availability under the China Credit Facility.

#### Cash Paid for Interest

For the **three** **six** months ended **March 31, 2024** **June 30, 2024** and 2023, cash payments for interest were **\$2.9 million** **\$6.0 million** and **\$3.2 million** **\$6.6 million**, respectively.

#### **5. Intangible Assets**

Our definite-lived intangible assets were comprised of the following:

	March 31, 2024				December 31, 2023							
	June 30, 2024		December 31, 2023									
	Weighted-Average Amortization Period	Weighted-Average Amortization Period	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount	Weighted-Average Amortization Period	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount	
Trademarks/tradenames												
Customer relationships												
Technical know-how												
Covenant not to compete												
			\$									
			=									

The aggregate intangible asset amortization expense was **\$0.8 million** **\$0.7 million** and **\$0.9 million** for the three months ended **March 31, 2024** **June 30, 2024** and **2023**, **2023**, respectively. The aggregate intangible asset amortization expense was **\$1.5 million** and **\$1.7 million** for the six months ended **June 30, 2024** and **2023** respectively.

#### **6. Fair Value Measurement**

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels, and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 - Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 - Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.

Level 3 - Significant unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

Our financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, pension assets and liabilities. The carrying value of these instruments approximates fair value as a result of the short duration of such instruments or due to the variability of the interest cost associated with such instruments.

#### Recurring Measurements

**Foreign Currency Forward Exchange Contracts.** Our derivative assets and liabilities represent foreign exchange contracts that are measured at fair value using observable market inputs such as forward rates, interest rates, our own credit risk and counterparty credit risk. Based on the utilization of these inputs, the derivative assets and liabilities are classified as Level 2. To

manage our risk for transactions denominated in Mexican Pesos and Czech Crown, we have entered into forward exchange contracts that are designated as cash flow hedge instruments, which are recorded in the Condensed Consolidated Balance Sheets at fair value. The gains and losses as a result of the changes in fair value of the hedge contract for transactions denominated in Mexican Pesos are deferred in accumulated other comprehensive loss and recognized in cost of revenues in the period the related hedge transactions are settled. As of **March 31, 2024** **June 30, 2024**, hedge contracts for transactions denominated in Czech Crown were not designated as a hedging instruments; therefore, they are marked-to-market and the fair value of agreements is recorded in the Condensed Consolidated Balance Sheets with the offsetting gains and losses recognized in other (income) expense and recognized in cost of revenues in the period the related hedge transactions are settled in the Condensed Consolidated Statements of Operations.

**Interest Rate Swaps.** To manage our exposure to variable interest rates, we have entered into interest rate swaps to exchange, at a specified interval, the difference between fixed and variable interest amounts calculated by reference to an agreed upon notional principal amount. The interest rate swaps are intended to mitigate the impact of rising interest rates on the Company and covers approximately 50% of outstanding debt under the Term Loan Facility. Any changes in fair value are included in earnings or deferred through Accumulated other comprehensive loss, depending on the nature and effectiveness of the offset. Any ineffectiveness in a cash flow hedging relationship is recognized immediately in earnings in the consolidated statements of operations.

The fair values of our derivative assets and liabilities measured on a recurring basis are categorized as follows:

	March 31, 2024	December 31, 2023

	December 31,																
	June 30, 2024			2023			June 30, 2024			2023							
Total	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	
<b>Assets:</b>																	
Foreign exchange contract designated as hedging instruments																	
Foreign exchange contract designated as hedging instruments																	
Foreign exchange contract designated as hedging instruments																	
Interest rate swap agreement																	
<b>Liabilities:</b>																	
Foreign exchange contract not designated as hedging instruments																	
Foreign exchange contract not designated as hedging instruments																	
Foreign exchange contract designated as hedging instruments																	
Foreign exchange contract designated as hedging instruments																	
Foreign exchange contract designated as hedging instruments																	
Foreign exchange contract not designated as hedging instruments																	

The following table summarizes the notional amount of our open foreign exchange contracts:

	March 31, 2024		December 31, 2023		March 31, 2024		December 31, 2023		March 31, 2024		December 31, 2023	
	U.S. \$ Equivalent											
	Location											
Commitments to buy or sell currencies - Foreign exchange contract designated as hedging instruments												
Commitments to buy or sell currencies - Foreign exchange contract not designated as hedging instruments												

The following table summarizes the fair value and presentation of derivatives in the Condensed Consolidated Balance Sheets:

	Derivative Asset				Derivative Liability				Derivative Equity				
	Balance Sheet		Balance Sheet		Fair Value		Fair Value		Balance Sheet		Fair Value		
	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	
Foreign exchange contract designated as hedging instruments													
Foreign exchange contract designated as hedging instruments													
Foreign exchange contract designated as hedging instruments													
Foreign exchange contract designated as hedging instruments													
Interest rate swap agreement													
<b>Derivative Asset</b>													
Balance Sheet		Balance Sheet		Fair Value		Balance Sheet		Fair Value		Balance Sheet		Fair Value	
Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location
Foreign exchange contract designated as hedging instruments													
Foreign exchange contract designated as hedging instruments													
Foreign exchange contracts not designated as hedging instruments													
Foreign exchange contracts not designated as hedging instruments													
<b>Derivative Liability</b>													
Balance Sheet		Balance Sheet		Fair Value		Balance Sheet		Fair Value		Balance Sheet		Fair Value	
Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location
Foreign exchange contract designated as hedging instruments													
Foreign exchange contract designated as hedging instruments													
Foreign exchange contracts not designated as hedging instruments													
Foreign exchange contracts not designated as hedging instruments													
<b>Derivative Equity</b>													
Balance Sheet		Balance Sheet		Fair Value		Balance Sheet		Fair Value		Balance Sheet		Fair Value	
Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location	Location

	Location	Location	March 31, 2024	December 31, 2023	Location
			June 30, 2024	December 31, 2023	
Foreign exchange contracts designated as hedging instruments					
Interest rate swap agreements					
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended June 30,				
	2024		2024	2023	2024
Foreign exchange contracts designated as hedging instruments	Location of Gain (Loss) on Derivatives Recognized in Income (Loss)	Location of Gain (Loss) on Derivatives Recognized in Income (Loss)	Amount of Gain (Loss) on Derivatives Recognized in Income (Loss)	Location of Gain (Loss) on Derivatives Recognized in Income (Loss)	Amount of Gain (Loss) on Derivatives Recognized in Income (Loss)
Interest rate swap agreement					
Interest rate swap agreement settled in 2022					
Foreign exchange contracts					

We consider the impact of our credit risk on the fair value of the contracts, as well as our ability to honor obligations under the contract.

#### Other Fair Value Measurements

The fair value of long-term debt obligations is based on a fair value model utilizing observable inputs. Based on these inputs, our long-term debt fair value as disclosed is classified as Level 2. The carrying amounts and fair values of our long-term debt obligations are as follows:

	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount
Term loan and security agreement <sup>1</sup>					
Revolving credit facility					
1. Presented in the Condensed Consolidated Balance Sheets as the current portion of long-term debt of \$16.4 million \$17.5 million and long-term debt of \$139.3 million \$117.5 million as of March 31, 2024 June 30, 2024 and current portion of long-term debt of \$15.3 million and long-term debt of \$126.2 million as of December 31, 2023.					
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	Three Months Ended March 31,				
	2024				
	2024				
Operating lease cost					
Operating lease cost					
Operating lease cost					
Finance lease cost					
Finance lease cost					

Finance lease cost
Short-term lease cost
Short-term lease cost
Short-term lease cost
Total lease expense
Total lease expense
Total lease expense

Supplemental balance sheet information related to leases is as follows:

	Balance Sheet Location	Balance Sheet Location	March 31, 2024	December 31, 2023	Balance Sheet Location	June 30, 2024	December 31, 2023
<b>Operating Leases</b>							
Right-of-use assets, net							
Right-of-use assets, net							
Right-of-use assets, net							
Current liabilities							
Current liabilities							
Current liabilities							
Non-current liabilities							
Total operating lease liabilities							
<b>Finance Leases</b>							
Right-of-use assets, net							
Right-of-use assets, net							
Right-of-use assets, net							
Current liabilities							
Current liabilities							
Current liabilities							
Non-current liabilities							
Total finance lease liabilities							

Cash payments on operating leases were \$2.7 million \$5.2 million and \$4.7 million for the three six months ended March 31, 2024 June 30, 2024 and 2023, 2023 respectively.

Anticipated future lease costs, which are based in part on certain assumptions to approximate annual rental commitments under non-cancelable leases, are as follows:

	Operating	Financing	Total
Remainder of 2024	\$ 7,662	\$ 84	\$ 7,746
2025	9,545	78	9,623
2026	7,438	30	7,468
2027	4,491	7	4,498
2028	3,008	—	3,008
Thereafter	15,993	—	15,993
Total lease payments	\$ 48,137	\$ 199	\$ 48,336
Less: Imputed interest	(16,822)	(15)	(16,837)
Present value of lease liabilities	<u>\$ 31,315</u>	<u>\$ 184</u>	<u>\$ 31,499</u>

	Operating	Financing	Total
Remainder of 2024	\$ 5,460	\$ 51	\$ 5,511
2025	10,354	78	10,432
2026	8,207	30	8,237

2027	5,244	7	5,251
2028	3,770	—	3,770
Thereafter	17,883	—	17,883
Total lease payments	\$ 50,918	\$ 166	\$ 51,084
Less: Imputed interest	(17,758)	(12)	(17,770)
Present value of lease liabilities	<u>\$ 33,160</u>	<u>\$ 154</u>	<u>\$ 33,314</u>

## 8. Income Taxes

For three months ended March 31, 2024, we recorded a \$1.2 million \$0.3 million tax provision, benefit, or 28% effective tax rate for the period, compared to a \$3.3 million, or 27% 17% effective tax rate for the three months ended March 31, 2023 June 30, 2024, and \$0.8 million tax provision, or 38% effective tax rate for the six months ended June 30, 2024, compared to a \$2.7 million tax provision, or 21% effective tax rate for the three months ended June 30, 2023, and \$5.9 million tax provision, or 24% effective tax rate for the six months ended June 30, 2023. Income tax expense is based on an estimated annual effective tax rate, which requires management to make its best estimate of annual pretax income or loss. During the year, management regularly updates forecasted annual pretax results for the various countries in which the Company operates based on changes in factors such as prices, shipments, product mix, material inflation and manufacturing operations. To the extent that actual 2024 pretax results for U.S. and foreign income or loss vary from estimates, the actual income tax expense recognized in 2024 could be different from the forecasted amount used to estimate the income tax expense for the three and six months ended March 31, 2024 June 30, 2024.

For the three six months ended March 31, 2024 June 30, 2024 and 2023, cash paid for taxes, net of refunds received, were \$1.9 million \$3.6 million and \$2.0 million \$5.9 million, respectively.

## 9. Pension and Other Post-Retirement Benefit Plans

The components of net periodic (benefit) cost related to pension and other post-retirement benefit plans is as follows:

	Three Months Ended March 31,	
Interest cost	Three Months Ended March 31,	
Interest cost	Three Months Ended March 31,	
Interest cost	Three Months Ended March 31,	
Expected return on plan assets	Three Months Ended June 30,	
Expected return on plan assets	Three Months Ended June 30,	
Expected return on plan assets	Three Months Ended June 30,	
Amortization of prior service cost	Three Months Ended June 30,	
Amortization of prior service cost	Three Months Ended June 30,	
Amortization of prior service cost	Three Months Ended June 30,	
Recognized actuarial loss	Three Months Ended June 30,	
Recognized actuarial loss	Three Months Ended June 30,	
Recognized actuarial loss	Three Months Ended June 30,	
Net cost	Non-U.S. Pension Plan	
Net cost	Six months ended June 30,	
Net cost		
	2024	2023
Interest cost	\$ 696	\$ 705
Expected return on plan assets	(632)	(602)
Amortization of prior service cost	26	25
Recognized actuarial loss	399	377
Net cost	\$ 489	\$ 505

Net periodic cost components, not inclusive of service costs, are recognized in other (income) expense within the Condensed Consolidated Statements of Operations.

## 10. Performance Awards

The following table summarizes performance awards granted in the form of cash awards under the equity incentive plans:

	Amount
Adjusted Award Value at December 31, 2023	\$ 1,901
New grants	3,002
Forfeitures	(88)
Adjustments	11 (3,187)
Payments	(324)
Adjusted Award Value at <span style="background-color: #ffff00;">March 31, 2024</span> <span style="background-color: #ffff00;">June 30, 2024</span>	<u><u>\$ 1,588</u></u> <u><u>1,304</u></u>

Unrecognized compensation expense was \$4.2 million \$2.0 million and \$5.0 \$5.2 million as of March 31, 2024 June 30, 2024 and 2023, respectively.

## 11. Share-Based Compensation

The company's outstanding share-based compensation is comprised solely of restricted stock awards and performance stock awards to be settled in stock.

As of March 31, 2024 June 30, 2024, there was approximately \$7.8 million \$5.7 million of unrecognized compensation expense related to non-vested share-based compensation arrangements granted under our equity incentive plans. This expense is subject to future adjustments and forfeitures and will be recognized on a straight-line basis over the remaining period listed above for each grant.

A summary of the status of our restricted stock awards as of March 31, 2024 June 30, 2024 and changes during the three six months ended March 31, 2024 June 30, 2024, are presented below:

	2024		2024	
	Shares (in thousands)	Weighted- Average Grant-Date	Shares (in thousands)	Weighted- Average Grant-Date
Nonvested - December 31, 2023				
Granted				
Vested				
Forfeited				
<b>Nonvested - March 31, 2024</b>				
Nonvested - June 30, 2024				

As of March 31, 2024 June 30, 2024, a total of 2.0 million 1.4 million shares were available for future grants from the shares authorized for award under our 2020 Equity Incentive Plan, including cumulative forfeitures.

## 12. Stockholders' Equity

**Common Stock** — Our authorized capital stock consists of 60,000,000 shares of common stock with a par value of \$0.01 per share; of which, 33,325,973 33,443,964 and 33,322,535 shares were issued and outstanding as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively.

**Preferred Stock** — Our authorized capital stock also consists of 5,000,000 shares of preferred stock with a par value of \$0.01 per share, with no preferred shares outstanding as of March 31, 2024 June 30, 2024 and December 31, 2023.

**Earnings (Loss) Per Share** - Basic earnings (loss) per share is determined by dividing net income (loss) by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share presented is determined by dividing net income (loss) by the weighted average number of common shares and potential common shares outstanding during the period as determined by the treasury stock method. Potential common shares are included in the diluted earnings per share calculation when dilutive.

Diluted earnings per share for the three and six months ended **March 31, 2024** June 30, 2024 and 2023 includes the effect of potential common shares issuable when dilutive, and is as follows:

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended June 30,	Three Months Ended June 30,	Three Months Ended June 30,	Six Months Ended June 30,
	2024	2024	2024	2024	2023	2023	2024
Net income							
Net income							
Net income							
Weighted average number of common shares outstanding (in '000s)							
Weighted average number of common shares outstanding (in '000s)							
Net income (loss)							
Weighted average number of common shares outstanding (in '000s)							
Dilutive effect of restricted stock grants after application of the Treasury Stock Method (in '000s)							
Dilutive effect of restricted stock grants after application of the Treasury Stock Method (in '000s)							
Dilutive effect of restricted stock grants after application of the Treasury Stock Method (in '000s)							
Dilutive shares outstanding							
Dilutive shares outstanding							
Dilutive shares outstanding							
Basic earnings per share							
Basic earnings per share							
Basic earnings per share							
Diluted earnings per share							
Diluted earnings per share							
Diluted earnings per share							
Basic earnings (loss) per share							
Diluted earnings (loss) per share							

There were **408** 367 thousand outstanding restricted shares awarded that were excluded from the calculation of diluted earnings per share for the three months ended **March 31, 2024** June 30, 2024 and **134** no outstanding restricted shares awarded were excluded from the calculation of diluted earnings per share for the three months ended June 30, 2023. There were 405 thousand outstanding restricted shares awarded that were excluded from the calculation of diluted earnings per share for the **three** six months ended **March 31, 2023** June 30, 2024 and 11 thousand outstanding restricted shares awarded that were excluded from the calculation of diluted earnings per share for the six months ended June 30, 2023.

### 13. Other Comprehensive Income (Loss)

The after-tax changes in accumulated other comprehensive income (loss), are as follows:

	Foreign currency translation adjustment	Foreign currency translation adjustment	Pension and post-retirement benefits plans	Derivative instruments	Accumulated other comprehensive income (loss)	Foreign currency translation adjustment	Pension and post-retirement benefits plans	Derivative instruments	Accumulated other comprehensive income (loss)
Balance - December 31, 2023									
Net current period change									
Amounts reclassified into earnings									
Balance - March 31, 2024									
Balance - March 31, 2024									

	Foreign currency translation adjustment	Pension and post-retirement benefit plans	Derivative instruments	Accumulated other comprehensive income (loss)	Foreign currency translation adjustment	Pension and post-retirement benefit plans	Derivative instruments	Accumulated other comprehensive income (loss)
Balance - March 31, 2024								
Balance - June 30, 2024								
Balance - June 30, 2024								
	Foreign currency translation adjustment	Pension and post-retirement benefit plans	Derivative instruments	Accumulated other comprehensive income (loss)	Foreign currency translation adjustment	Pension and post-retirement benefit plans	Derivative instruments	Accumulated other comprehensive income (loss)
Balance - December 31, 2022								
Net current period change								
Amounts reclassified into earnings								
Balance - March 31, 2023								
Balance - March 31, 2023								
Balance - March 31, 2023								
Balance - June 30, 2023								
Balance - June 30, 2023								
Balance - June 30, 2023								

The related tax effects allocated to each component of other comprehensive income (loss) are as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024	Three Months Ended June 30, 2024	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024	
	Before Tax Amount	Before Tax Amount	Before Tax Amount	Before Tax Amount	Before Tax Amount	Before Tax Amount	Before Tax Amount	
	Before Tax Amount	Before Tax Amount	Before Tax Amount	Before Tax Amount	Before Tax Amount	Before Tax Amount	Before Tax Amount	
Net current period change								
Net current period change								
Net current period change								
Cumulative translation adjustment								
Cumulative translation adjustment								
Cumulative translation adjustment								
Net actuarial gain and prior service credit								
Net actuarial gain and prior service credit								
Net actuarial gain and prior service credit								
Derivative instruments								
Derivative instruments								
Derivative instruments								
Net unrealized gain (loss)								
Net unrealized gain (loss)								
Net unrealized gain (loss)								
Amounts reclassified into earnings:								
Amounts reclassified into earnings:								
Amounts reclassified into earnings:								
Actuarial loss and prior service cost								

Actuarial loss and prior service cost
Actuarial loss and prior service cost
Derivative instruments
Derivative instruments
Derivative instruments
Net realized gain (loss)
Net realized gain (loss)
Net realized gain (loss)
Total other comprehensive income (loss)
Total other comprehensive income (loss)
Total other comprehensive income (loss)

	Three Months Ended March 31, 2023		Three Months Ended June 30, 2023		Six Months Ended June 30, 2023					
	Before Tax	Amount	Before Tax	Amount	Tax Expense	After Tax	Before Tax	Amount	Tax Expense	After Tax
Net current period change	Before Tax	Amount	Before Tax	Amount		After Tax	Before Tax	Amount	Tax Expense	After Tax
Net current period change	Before Tax	Amount	Before Tax	Amount		After Tax	Before Tax	Amount	Tax Expense	After Tax
Net current period change	Before Tax	Amount	Before Tax	Amount		After Tax	Before Tax	Amount	Tax Expense	After Tax
Cumulative translation adjustment										
Cumulative translation adjustment										
Cumulative translation adjustment										
Net actuarial gain and prior service credit										
Net actuarial gain and prior service credit										
Net actuarial gain and prior service credit										
Derivative instruments										
Derivative instruments										
Derivative instruments										
Net unrealized gain (loss)										
Net unrealized gain (loss)										
Net unrealized gain (loss)										
Amounts reclassified into earnings:										
Amounts reclassified into earnings:										
Amounts reclassified into earnings:										
Actuarial loss and prior service cost										
Actuarial loss and prior service cost										
Actuarial loss and prior service cost										
Derivative instruments										
Derivative instruments										
Derivative instruments										
Net realized gain (loss)										
Net realized gain (loss)										
Net realized gain (loss)										
Total other comprehensive income (loss)										
Total other comprehensive income (loss)										
Total other comprehensive income (loss)										

As of **March 31, 2024** **June 30, 2024**, the Company estimates that net pre-tax derivative gains of **\$5.5** **\$0.8** million included in Accumulated other comprehensive income (loss) will be reclassified into earnings within the next 12 months.

#### 14. Cost Reduction and Manufacturing Capacity Rationalization

The Company's restructuring program includes aligning cost structure to support margin expansion. The program includes workforce reductions and footprint optimization across segments.

The changes in accrued restructuring balances are as follows:

	Vehicle Solutions	Vehicle Solutions	Electrical Systems	Aftermarket & Accessories	Industrial Automation	Corporate/Other Total	Vehicle Solutions	Electrical Systems	Aftermarket & Accessories	Industrial Automation	Corporate/Other Total
December 31, 2023											
New charges											
Payments and other adjustments											
March 31, 2024											
New charges											
Payments and other adjustments											
June 30, 2024											
	Vehicle Solutions		Electrical Systems		Aftermarket & Accessories		Industrial Automation		Corporate/Other		Total
December 31, 2022	\$ (5)	\$ —	\$ —	\$ —	\$ 458	\$ —	\$ 453				
New charges	83		8			622					713
Payments and other adjustments	(78)		(8)			(369)					(455)
March 31, 2023	\$ —	\$ —	\$ —	\$ —	\$ 711	\$ —	\$ 711				

	Vehicle Solutions	Electrical Systems	Aftermarket & Accessories	Industrial Automation	Corporate/Other	Total
December 31, 2022	\$ (5)	\$ —	\$ —	\$ 458	\$ —	\$ 453
New charges	83	8	—	622	—	713
Payments and other adjustments	(78)	(8)	—	(369)	—	(455)
March 31, 2023	\$ —	\$ —	\$ —	\$ 711	\$ —	\$ 711
New charges	340	—	—	378	—	718
Payments and other adjustments	(340)	—	—	(391)	—	(731)
June 30, 2023	\$ —	\$ —	\$ —	\$ 698	\$ —	\$ 698

Of the **\$1.9 million** **\$4.9 million** costs incurred in the three months ended **March 31, 2024** **June 30, 2024** for restructuring, **\$1.5 million** **\$4.5 million** related to headcount reductions and **\$0.4 million** related to facility exit and other; **\$1.7 million** **\$4.7 million** were recorded in cost of revenue and **\$0.2 million** were recorded in selling, general and administrative expenses.

Of the **\$6.8 million** costs incurred in the six months ended **June 30, 2024** for restructuring, **\$6.0 million** primarily related to headcount reductions and **\$0.8 million** related to facility exit and other; **\$6.4 million** were recorded in cost of revenues and **\$0.4 million** were recorded in selling, general and administrative expenses.

#### 15. Commitments and Contingencies

**Leases** - As disclosed in Note 7, Leases, we lease office, warehouse and manufacturing space and equipment under non-cancelable operating lease agreements that generally require us to pay maintenance, insurance, taxes and other expenses in addition to annual rental fees. As of **March 31, 2024** **June 30, 2024**, our equipment leases did not provide for any material guarantee of a specified portion of residual values.

**Guarantees** - Costs associated with guarantees are accrued when it is probable that a liability has been incurred and the amount can be reasonably estimated. The most likely cost to be incurred is accrued based on an evaluation of available facts; where no amount within a range of estimates is more likely, the minimum is accrued. As of **March 31, 2024** **June 30, 2024** and 2023, we had no such guarantees.

**Litigation** - We are subject to various legal proceedings and claims arising in the ordinary course of business, including but not limited to product liability claims, customer and supplier disputes, service provider disputes, examinations by taxing authorities, employment disputes, workers' compensation claims, unfair labor practice charges, OSHA investigations, intellectual property disputes and environmental claims arising out of the conduct of our businesses.

Management believes that the Company maintains adequate insurance and that we have established reserves for issues that are probable and estimable in amounts that are adequate to cover reasonable adverse judgments not covered by insurance. Based upon the information available to management and discussions with legal counsel, it is the opinion of management that the ultimate outcome of the various legal actions and claims that are incidental to our business are not expected to have a material adverse impact on the consolidated financial position, results of operations, equity or cash flows; however, such matters are subject to many uncertainties and the outcomes of individual matters are not predictable with any degree of assurance.

**Warranty** - We are subject to warranty claims for products that fail to perform as expected due to design or manufacturing deficiencies. Depending on the terms under which we supply products to our customers, a customer may hold us responsible for some or all of the repair or replacement costs of defective products when the product supplied did not perform as represented. Our policy is to record provisions for estimated future customer warranty costs based on historical trends and for specific claims. These amounts, as they relate to the periods ended **March 31, 2024** **June 30, 2024** and December 31, 2023, are included within accrued liabilities and other in the accompanying Condensed Consolidated Balance Sheets.

On July 24, 2023, one of our customers issued a voluntary safety recall related to certain wiper system components supplied by us. To the extent a loss occurs that is attributed to us, we believe that we have reasonable levels of insurance coverage to mitigate recall exposure risk. It is reasonably possible that we will incur additional losses and fees above the amount accrued for warranty claims but we cannot estimate a range of such reasonably possible losses or fees related to these claims at this time. There are no assurances, however, that settlements reached and/or adverse judgments received, if any, will not exceed amounts normally accrued.

The following presents a summary of the warranty provision for the **three six** months ended **March 31, 2024** **June 30, 2024**:

Balance - December 31, 2023	\$ 1,458
Provision for warranty claims	<b>362 842</b>
Deduction for payments made and other adjustments	<b>(494) (1,114)</b>
Balance - <b>March 31, 2024</b> <b>June 30, 2024</b>	<b>\$ 1,326 1,186</b>

**Debt Payments** - As disclosed in Note 4, Debt, the Credit Agreement requires the Company to repay a fixed amount of principal on a quarterly basis and make voluntary prepayments that coincide with certain events.

The following table provides future minimum principal payments due on long-term debt for the next five years. The existing long-term debt agreement matures in 2027; no payments are due thereafter:

	Total
Remainder of 2024	Total
2025	Total
2026	Total
2027	Total
2028	Total
Thereafter	

## 16. Segment Reporting

Operating segments are defined as components of an enterprise that are evaluated regularly by the Company's chief operating decision maker ("CODM"), which is our President and Chief Executive Officer. Each of these segments consists of a number of manufacturing facilities. Certain of our facilities manufacture and sell products through multiple segments. Our segments are more specifically described below.

The Vehicle Solutions segment designs, manufactures and sells the following products:

- Commercial vehicle seats for the global commercial vehicle markets including heavy duty trucks, medium duty trucks, last mile delivery trucks and vans, construction and agriculture equipment in North America, Europe and Asia-Pacific. This segment includes a portion of the company's activities in the electric vehicle market.
- Plastic & Trim components primarily for the North America commercial vehicle market and power sports markets; and Cab structures for the North American **medium-duty/heavy-duty ("MD/HD HD")** truck market.

The Electrical Systems segment designs, manufactures and sells the following products:

- Cable and harness assemblies for both high and low voltage applications, control boxes, dashboard assemblies and design and engineering for these applications.
- The end markets for these products are construction, agricultural, industrial, automotive (both internal combustion and electric vehicles), truck, mining, rail, marine, power generation and the military/defense industries in North America, Europe and Asia-Pacific.

The Aftermarket & Accessories segment designs, manufactures and sells the following products:

- Seats and components sold into the commercial vehicle channels that provide repair and refurbishing. These channels include **OES Original Equipment Service ("OES")** centers and retail distributors, and are spread across North America, Europe and Asia-Pacific.
- Commercial vehicle accessories including wipers, mirrors, and sensors. These products are sold both as Original Equipment and as repair products.
- Office seats primarily sold into the commercial and home office furniture distribution channels in Europe and Asia-Pacific.

The Industrial Automation segment designs, manufactures and sells the following products:

- Warehouse automation subsystems including control panels, electro-mechanical assemblies, cable assemblies, and power and communication solutions.

- The end markets for these products primarily include e-commerce, warehouse integration, transportation and the military/defense industry.

Corporate expenses consist of certain overhead and shared costs that are not directly attributable to the operations of a segment. For purposes of business segment performance measurement, some of these costs that are for the benefit of the operations are allocated based on a combination of methodologies. The costs that are not allocated to a segment are considered stewardship costs and remain at corporate in our segment reporting.

The following tables present financial information for the Company's reportable segments for the periods indicated:

	Three Months Ended March 31, 2024						Three Months Ended June 30, 2024					
	Vehicle Solutions	Vehicle Solutions	Electrical Systems	Aftermarket and Accessories	Industrial Automation	Corporate/Other	Total	Vehicle Solutions	Electrical Systems	Aftermarket and Accessories	Industrial Automation	Corporate/Other
Revenues												
Gross profit												
Selling, general & administrative expenses												
Operating income (loss)												
Operating income (loss)												
Operating income (loss)												

	Three Months Ended March 31, 2023						Three Months Ended June 30, 2023					
	Vehicle Solutions	Vehicle Solutions	Electrical Systems	Aftermarket and Accessories	Industrial Automation	Corporate/Other	Total	Vehicle Solutions	Electrical Systems	Aftermarket and Accessories	Industrial Automation	Corporate/Other
Revenues												
Gross profit												
Selling, general & administrative expenses												
Operating income (loss)												
Operating income (loss)												
Operating income (loss)												

	Six Months Ended June 30, 2024									
	Aftermarket and									
	Vehicle Solutions	Electrical Systems	Accessories	Industrial Automation	Corporate/Other	Total				
Revenues	\$ 278,814	\$ 105,947	\$ 67,921	\$ 9,292	\$ —	\$ 461,974				
Gross profit	27,785	7,721	12,886	(748)	—	47,644				
Selling, general & administrative expenses	12,357	5,202	3,900	2,262	16,591	40,312				
Operating income (loss)	\$ 15,428	\$ 2,519	\$ 8,986	\$ (3,010)	\$ (16,591)	\$ 7,332				

	Six Months Ended June 30, 2023									
	Aftermarket and									
	Vehicle Solutions	Electrical Systems	Accessories	Industrial Automation	Corporate/Other	Total				
Revenues	\$ 313,315	\$ 118,373	\$ 74,458	\$ 18,757	\$ —	\$ 524,903				
Gross profit	40,374	18,643	15,015	(422)	—	73,610				

Selling, general & administrative expenses	12,847	4,914	3,913	2,501	18,847	43,022
Operating income (loss)	\$ 27,527	\$ 13,729	\$ 11,102	\$ (2,923)	\$ (18,847)	\$ 30,588

## 17. Other Financial Information

Items reported in inventories consisted of the following:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Raw materials		
Work in process		
Finished goods		
Inventories		

Items reported in property, plant, and equipment, net consisted of the following:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Land and buildings		
Machinery and equipment		
Construction in progress		
Property, plant, and equipment, gross		
Less accumulated depreciation		
Property, plant and equipment, net		

Items reported in accrued expenses and other liabilities consisted of the following:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Compensation and benefits		
Operating lease liabilities		
Customer tooling projects		
Accrued freight		
Taxes payable		
Accrued freight		
Accrued legal and professional fees		
Warranty costs		
Other		
Accrued liabilities and other		

## 18. Subsequent Event

On July 31, 2024, the Company and SVO, LLC ("Buyer") entered into a purchase agreement to sell its cab structures business with operations in Kings Mountain, North Carolina. Under the terms of the purchase agreement, Buyer will purchase substantially all of the assets of the Company's business of manufacturing and assembling structured products, including cabs for medium and heavy-duty vehicles, at its facility in Kings Mountain, North Carolina. The agreement is subject to the satisfaction of customary closing conditions and is expected to close in the second half of 2024. In connection with entering into the purchase agreement, the parties contemplate entering into a negotiated transition services agreement.

Pursuant to the terms of the purchase agreement, net proceeds of the transaction are expected to be \$40 million, subject to adjustment for any variance of the actual value of inventory at closing from the estimated inventory value.

The majority of the proceeds from the transaction will be used for debt payoff and other general corporate purposes. Upon closing of the transaction, the Company expects to record a gain on sale in the range of \$25 million to \$30 million.

As a result of the proposed transaction, we expect our Kings Mountain business to be presented as a discontinued operation in the third quarter of 2024, its net assets classified as held for sale, and certain prior period amounts retrospectively revised to reflect these changes.

## ITEM 2 – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The discussion and analysis below described material changes in financial condition and results of operations as reflected in our condensed consolidated financial statements for the three and six months ended **March 31, 2024** **June 30, 2024** and 2023. This discussion and analysis should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our 2023 Form 10-K.

### Business Overview

CVG is a global provider of systems, assemblies and components to the global commercial vehicle market, the electric vehicle market, and the industrial automation markets. We deliver real solutions to complex design, engineering and manufacturing problems while creating positive change for our customers, industries, and communities we serve.

We have manufacturing operations in the United States, Mexico, China, United Kingdom, Czech Republic, Ukraine, Morocco, Thailand, India and Australia. Our products are primarily sold in North America, Europe, and the Asia-Pacific region.

We primarily manufacture customized products to meet the requirements of our **customer**, **customers**. We believe our products are used by a majority of the North American Commercial Truck markets, many construction vehicle OEMs and top e-commerce retailers

### Key Developments

On July 31, 2024, the Company and SVO, LLC entered into a purchase agreement pursuant to sell its Cab Structures business with operations in Kings Mountain, North Carolina to a Volvo Group company, effective July 31, 2024. The net proceeds of the transaction are expected to be \$40 million, with closure expected in the second half of 2024. The Company expects the majority of proceeds to be used for debt paydown and other general corporate purposes.

On July 30, 2024, the Company and certain of its subsidiaries, as guarantors, entered into an Amendment No. 3, which amends the Credit Agreement. Amendment No.3 amends the terms of the existing Credit Agreement to limit the mandatory prepayment requirements for certain specified asset dispositions of the Company and certain of its subsidiaries.

During the quarter ended June 30, 2024, the Company announced that it has retained an investment banking firm to explore strategic alternatives for its Industrial Automation business.

During the year ended December 31, 2023 and the six months ended June 30, 2024, management approved restructuring programs to align the Company's cost structure to support margin expansion, expansion in key focus areas. The programs include workforce reductions, and footprint optimization, across segments, and fundamental reorganization initiatives that were implemented to drive efficiencies and reduce operating costs in line with our go-forward business and financial objectives. We incurred \$1.9 million \$6.8 million expense during the **three** **six** months ended **March 31, 2024** **June 30, 2024**, related to these programs.

### Consolidated Results of Operations

**Three Months Ended March 31, 2024 June 30, 2024 Compared to Three Months Ended March 31, 2023 June 30, 2023**

The table below sets forth certain consolidated operating data for the three months ended **March 31** **June 30** (dollars are in thousands):

	2024		2023		\$ Change		% Change		2024		2023				
	Revenues	Revenues	\$232,068	\$	\$262,709	\$	\$30,641	(11.7)%	(11.7)%	Revenues	\$	\$229,906	\$	\$262,194	\$
Gross profit															
Gross profit			26,665		35,209		35,209	(8,544)		(8,544)		(24.3)		(24.3)	
Selling, general and administrative expenses	Selling, general and administrative expenses		20,093		20,565		20,565	(472)		(472)		(2.3)		(2.3)	
Other expense (income)			212		(202)		414		NM <sup>1</sup>						
Interest expense															
Interest expense			2,251		2,890		2,890	(639)		(639)		(22.1)		(22.1)	
Provision for income taxes															
Provision for income taxes			1,170		3,256		(2,086)		(64.1)						
Net income			2,939		8,700		(5,761)		(66.2)						
Provision (benefit) for income taxes															
Provision (benefit) for income taxes															

Provision (benefit) for income taxes	(334)	2,693	(3,027)	NM <sup>1</sup>
Net income (loss)	(1,601)	10,140	(11,741)	NM <sup>1</sup>

1. Not meaningful

**Revenues.** The decrease in consolidated revenues resulted from:

- a ~~\$21.6 million~~ \$25.3 million, or ~~10.0%~~ ~~11.7%~~, decrease in OEM and other revenues;
- a ~~\$3.6~~ \$3.0 million, or ~~9.5%~~ ~~8.1%~~, decrease in aftermarket and OES sales; and
- a ~~\$5.4 million~~ \$4.0 million, or ~~55.9%~~ ~~44.6%~~, decrease in industrial automation sales.

The decrease in revenues of ~~11.7%~~ ~~12.3%~~ is due primarily to a softening in customer demand in our Electrical Systems and Vehicle Solutions segments, the wind-down of certain programs in our Vehicle Solutions segment, and a further decline in our Industrial Automation and Aftermarket segments, partially offset by increased pricing in our Electrical Systems segment.

**Gross Profit.** Included in gross profit is cost of revenues, which consists primarily of raw materials and purchased components for our products, wages and benefits for our employees and overhead expenses such as manufacturing supplies, facility rent and utilities costs related to our operations. The ~~\$8.5 million~~ \$17.4 million decrease in gross profit is primarily attributable to the impact of lower sales volumes, partially offset by unfavorable mix and increased pricing, restructuring charges. Cost of revenues decreased ~~\$22.1 million~~ \$14.9 million, or ~~9.7%~~ ~~6.6%~~, as a result of a decrease in raw material and purchased component costs of ~~\$22.9 million~~ \$16.3 million, or ~~15.5%~~ ~~11.4%~~, offset by an increase in labor and overhead expenses of ~~\$0.8 million~~ \$1.4 million, or ~~0.9%~~ ~~1.7%~~. As a percentage of revenues, gross profit margin was ~~11.5%~~ ~~9.1%~~ for the three months ended ~~March 31, 2024~~ June 30, 2024 compared to ~~13.4%~~ ~~14.6%~~ for the three months ended ~~March 31, 2023~~ June 30, 2023. The three months ended June 30, 2024 results include charges of \$4.7 million associated with restructuring programs.

**Selling, General and Administrative Expenses.** Selling, general and administrative ("SG&A") expenses consist primarily of wages and benefits and other expenses such as marketing, travel, legal, audit, rent and utilities costs, which are not directly or indirectly associated with the manufacturing of our products. SG&A expenses decreased ~~\$0.5 million~~ \$2.2 million compared to the three months ended ~~March 31, 2023~~ June 30, 2023, primarily as a result of reduced incentive compensation expense, partially offset by an increase in salary expense and consulting spend during the 2024 period. As a percentage of revenues, SG&A expense was 8.8% for the three months ended June 30, 2024 compared to 8.6% for the three months ended June 30, 2023. The three months ended June 30, 2024 results include charges of \$0.2 million associated with restructuring programs.

**Interest Expense.** Interest associated with our debt was \$2.5 million and \$2.8 million for the three months ended June 30, 2024 and 2023, respectively. The decrease in interest expense primarily related to lower average debt balances offset by higher interest rates on variable rate debt during the respective comparative periods.

**Provision for Income Taxes.** Income tax benefit of \$0.3 million was recorded for the three months ended June 30, 2024 compared to an income tax expense of \$2.7 million recorded for the three months ended June 30, 2023. The period over period change in income tax was primarily attributable to a \$14.8 million decrease in pre-tax income versus the prior year period.

**Net Loss.** Net loss was \$1.6 million for the three months ended June 30, 2024 compared to net income of \$10.1 million for the three months ended June 30, 2023. The decrease in net income is attributable to the factors noted above.

## Segment Results

### Vehicle Solutions Segment Results

#### Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

The table below sets forth certain Vehicle Solutions Segment operating data for the three months ended June 30 (dollars are in thousands):

	2024	2023	\$ Change	% Change
Revenues	\$ 140,904	\$ 152,730	\$ (11,826)	(7.7)%
Gross profit	11,557	20,904	(9,347)	(44.7)
Selling, general & administrative expenses	6,480	6,769	(289)	(4.3)
Operating income	5,077	14,135	(9,058)	(64.1)

**Revenues.** The decrease in Vehicle Solutions Segment revenues of \$11.8 million was primarily driven by a lower customer demand and the wind-down of certain programs.

**Gross Profit.** The decrease in gross profit of \$9.3 million was primarily attributable to lower customer demand, operational remediation investments and increased freight offset by a decrease in cost of revenues. The decrease in cost of revenues was driven by a decrease in raw material and purchased component costs of \$2.2 million, or 2.5%, and a decrease in labor and overhead expenses of \$0.3 million, or 0.7%.

As a percentage of revenues, gross profit margin was 8.2% for the three months ended June 30, 2024 compared to 13.7% for the three months ended June 30, 2023. The decrease in gross profit margin was primarily due to lower customer demand, restructuring activities and increased freight costs. The three months ended June 30, 2024 results include charges of \$3.0 million associated with the restructuring program.

**Selling, General and Administrative Expenses.** SG&A expenses decreased \$0.3 million for the three months ended June 30, 2024 compared to the three months ended June 30, 2023. The three months ended June 30, 2024 results include charges of \$0.3 million associated with the restructuring program.

#### Electrical Systems Segment Results

##### Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

The table below sets forth certain Electrical Systems Segment operating data for the three months ended June 30 (dollars are in thousands):

	2024	2023	\$ Change	% Change
Revenues	\$ 50,152	\$ 63,625	\$ (13,473)	(21.2)%
Gross profit	3,167	10,345	(7,178)	(69.4)
Selling, general & administrative expenses	2,660	2,686	(26)	(1.0)
Operating income	507	7,659	(7,152)	(93.4)

**Revenues.** The decrease in Electrical Systems Segment revenues of \$13.5 million primarily resulted from a global softening in the Construction & Agriculture end-markets and phase out of certain lower margin business.

**Gross Profit.** The decrease in gross profit of \$7.2 million is primarily attributable to lower customer demand, restructuring activities, labor inflation and unfavorable foreign exchange impacts. Cost of revenues decrease was driven by a decrease in raw material and purchased component costs of \$7.1 million, or 22.8%; partially offset by an increase in labor and overhead expenses of \$0.8 million, or 3.5%.

As a percentage of revenues, gross profit margin was 6.3% for the three months ended June 30, 2024 compared to 16.3% for the three months ended June 30, 2023. The decrease in gross profit margin was primarily due to lower customer demand, restructuring costs, labor inflation, and unfavorable foreign exchange impacts. The three months ended June 30, 2024 results include charges of \$1.4 million associated with the restructuring program.

**Selling, General and Administrative Expenses.** SG&A expenses remained flat within the three months ended June 30, 2024 compared to the three months ended June 30, 2023.

#### Aftermarket & Accessories Segment Results

##### Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

The table below sets forth certain Aftermarket & Accessories Segment operating data for the three months ended June 30 (dollars are in thousands):

	2024	2023	\$ Change	% Change
Revenues	\$ 33,860	\$ 36,829	\$ (2,969)	(8.1)%
Gross profit	6,447	7,788	(1,341)	(17.2)
Selling, general & administrative expenses	1,993	2,262	(269)	(11.9)
Operating income	4,454	5,526	(1,072)	(19.4)

**Revenues.** The decrease in Aftermarket & Accessories Segment revenues of \$3.0 million primarily resulted from lower sales volume due to decreased customer demand and the reduction of backlog in the prior period.

**Gross Profit.** The decrease in gross profit of \$1.3 million is primarily attributable to lower sales volume. Cost of revenues decreased in line with the sales decrease of 8.1%, driven by a decrease in raw material and purchased component costs of \$2.6 million, or 14.3%; offset by an increase in labor and overhead expenses of \$1.0 million, or 9.1%.

As a percentage of revenues, gross profit margin was 19.0% for the three months ended June 30, 2024 compared to 21.1% for the three months ended June 30, 2023. The decrease in gross profit margin was primarily due to lower sales volumes, product mix and higher labor and benefit costs. The three months ended June 30, 2024 results include charges of \$0.2 million associated with the restructuring program.

**Selling, General and Administrative Expenses.** SG&A expenses decreased \$0.3 million for the three months ended June 30, 2024 compared to the three months ended June 30, 2023.

#### Industrial Automation Segment Results

##### Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

The table below sets forth certain Industrial Automation Segment operating data for the three months ended June 30 (dollars are in thousands):

	2024	2023	\$ Change	% Change
Revenues	\$ 4,990	\$ 9,010	\$ (4,020)	(44.6)%
Gross profit (loss)	(192)	(636)	444	(69.8)
Selling, general & administrative expenses	823	1,425	(602)	(42.2)
Operating loss	(1,015)	(2,061)	1,046	(50.8)

**Revenues.** The decrease in Industrial Automation Segment revenues of \$4.0 million primarily resulted from lower sales volume due to decreased customer demand.

**Gross Loss.** The decrease in negative gross profit of \$0.4 million was primarily attributable to benefits from restructuring programs implemented in 2023. Cost of revenues decreased in line with the sales decrease of 44.6%, driven by a decrease in raw material and purchased component costs of \$4.4 million, or 58.0%; and a decrease in labor and overhead expenses of \$0.1 million, or 4.6%.

As a percentage of revenues, negative gross profit margin was 3.8% for the three months ended June 30, 2024 compared to 7.1% for the three months ended June 30, 2023. The decrease in negative gross profit margin is primarily due to benefits from restructuring programs implemented in 2023. The three months ended June 30, 2024 results include charges of \$0.1 million associated with the restructuring program.

**Selling, General and Administrative Expenses.** SG&A expenses decreased \$0.6 million for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 primarily attributable to restructuring the business to be in line with decreased demand.

#### Consolidated Results of Operations

##### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

The table below sets forth certain consolidated operating data for the six months ended June 30, (dollars are in thousands):

	2024	2023	\$ Change	% Change
Revenues	\$ 461,974	\$ 524,903	\$ (62,929)	(12.0)%
Gross profit	47,644	73,610	(25,966)	(35.3)
Selling, general and administrative expenses	40,312	43,022	(2,710)	(6.3)
Interest expense	4,739	5,694	(955)	(16.8)
Provision for income taxes	836	5,949	(5,113)	(85.9)
Net income	1,338	18,840	(17,502)	(92.9)

**Revenues.** The decrease in consolidated revenues resulted from:

- a \$46.9 million, or 10.9%, decrease in OEM and other revenues;
- a \$6.5 million, or 8.8%, decrease in aftermarket and OES sales; and
- a \$9.5 million, or 50.5%, decrease in industrial automation sales.

The decrease in revenues of \$62.9 million is primarily driven by a softening in customer demand in our Electrical Systems and Vehicle Solutions segments, the wind-down of certain programs in our Vehicle Solutions segment, and a further decline in our Industrial Automation and Aftermarket segments.

**Gross Profit.** The \$26.0 million decrease in gross profit is primarily attributable to the impact of lower sales volumes, unfavorable mix, and increased restructuring charges. Cost of revenues decreased \$37.0 million, or 8.2%, as a result of a decrease in raw material and purchased component costs of \$39.1 million, or 13.5%, offset by an increase in labor and overhead expenses of \$2.1 million, or 1.3%. As a percentage of revenues, gross profit margin was 10.3% for the six months ended June 30, 2024 compared to 14.0% for the six months ended June 30, 2023. The six months ended June 30, 2024 results include charges of \$6.4 million associated with the restructuring programs.

**Selling, General and Administrative Expenses.** SG&A expenses decreased \$2.7 million compared to the six months ended June 30, 2023, primarily as a result of reduced incentive compensation expense, partially offset by an increase in salary expense and consulting spend during the 2024 period. As a percentage of revenues, SG&A expense was 8.7% for the three six months ended March 31, 2024 June 30, 2024 compared to 7.8% 8.2% for the three six months ended March 31, 2023 June 30, 2023.

**Other Expense.** Other expenses increased \$0.4 million in the three six months ended March 31, 2024 as compared to June 30, 2024 results include charges of \$0.4 million associated with the three months ended March 31, 2023 due primarily to an unfavorable change in the fair value of foreign currency forward exchange contracts, restructuring programs.

**Interest Expense.** Interest associated with our debt was \$2.3 million \$4.7 million and \$2.9 million \$5.7 million for the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. The decrease in interest expense primarily related to lower average debt balances and lower offset by higher interest rates on variable rate debt during the respective comparative periods.

**Provision for Income Taxes.** An income tax expense provision of \$1.2 million \$0.8 million and \$3.3 million was \$5.9 million were recorded for the three six months ended March 31, 2024 June 30, 2024 and 2023, respectively. The period over period change in income tax was primarily attributable to a \$7.8 million the \$22.6 million decrease in pre-tax income versus the prior year period.

In 2021, as part of the Organization for Economic Co-operation and Development's ("OECD") Inclusive Framework, 140 member countries agreed to the implementation of the Pillar Two Global Minimum Tax ("Pillar Two") of 15%. The OECD continues to release additional guidance, including administrative guidance on how Pillar Two rules should be interpreted and applied by jurisdictions as they adopt Pillar Two. These changes, when enacted by various countries in which we do business, may increase our taxes in these countries. Changes to these and other areas in relation to international tax reform, including future actions taken by foreign governments in response to Pillar Two, could increase uncertainty and may adversely affect our tax rate and cash flow in future years. We continue to evaluate the potential impact on future periods of Pillar Two, pending legislative adoption by individual countries.

**Net Income.** Net income was \$2.9 million \$1.3 million for the three six months ended March 31, 2024 June 30, 2024 compared to \$8.7 million \$18.8 million for the three six months ended March 31, 2023 June 30, 2023. The decrease in net income is attributable to the factors noted above.

## Segment Results

### Vehicle Solutions Segment Results

#### Three Six Months Ended March 31, 2024 June 30, 2024 Compared to Three Six Months Ended March 31, 2023 June 30, 2023

The table below sets forth certain Vehicle Solutions Segment operating data for the three six months ended March 31 June 30, (dollars are in thousands):

		2024		2023		\$ Change	% Change	2024		2023		\$ Change
		Revenues	Gross profit	Revenues	Gross profit			Revenues	Gross profit	Revenues	Gross profit	
Revenues	Revenues	\$137,910	\$160,584	\$22,674	(14.1)%	(14.1)%	(16.7)	\$278,814	\$313,315	\$27,785	40,374	(12,589)
Gross profit	Gross profit	16,229	19,471	19,471	(3,242)	(3,242)	(16.7)	(16.7)	40,374	40,374	(12,589)	
Selling, general & administrative expenses	Selling, general & administrative expenses	5,877	6,077	6,077	(200)	(200)	(3.3)	(3.3)	12,357	12,847	12,847	(490)
Operating income	Operating income	10,352	13,394	13,394	(3,042)	(3,042)	(22.7)	(22.7)				
Operating income	Operating income	15,428	27,527	(12,099)	(44.0)							

**Revenues.** The decrease in Vehicle Solutions Segment revenues of \$22.7 million \$34.5 million was primarily driven by a lower customer demand and the wind-down of certain programs.

**Gross Profit.** The decrease in gross profit of \$3.2 million \$12.6 million was primarily attributable to lower customer demand, restructuring activities and increased freight offset by costs. The decrease in cost of revenues was driven by a decrease in raw material and purchased component costs of \$15.6 million \$17.8 million, or 16.4%, 9.8%; and a decrease in labor and overhead expenses of \$3.8 million \$4.1 million, or 8.4% 4.5%.

As a percentage of revenues, gross profit margin was 11.8% 10.0% for the three six months ended March 31, 2024 June 30, 2024 compared to 12.1% 12.9% for the three six months ended March 31, 2023. The decrease in gross profit margin was primarily due to June 30, 2023, driven by lower customer demand, restructuring activities and increased freight costs. The three six months ended March 31, 2024 June 30, 2024 results include charges of \$0.5 million \$3.5 million associated with the restructuring program.

**Selling, General and Administrative Expenses.** SG&A expenses decreased \$0.2 million \$0.5 million for the three six months ended March 31, 2024 June 30, 2024 compared to the three six months ended March 31, 2023 June 30, 2023. The six months ended June 30, 2024 results include charges of \$0.3 million associated with the restructuring program.

#### Electrical Systems Segment Results

**Three Six Months Ended March 31, 2024 June 30, 2024 Compared to Three Six Months Ended March 31, 2023 June 30, 2023**

The table below sets forth certain Electrical Systems Segment operating data for the three six months ended March 31 June 30, (dollars are in thousands):

		2024	2023	\$ Change	% Change	2024		2023	\$ Change
Revenues	Revenues	\$55,795	\$54,749	\$1,046	1.9%	1.9%	Revenues	\$105,947	\$118,373
Gross profit	Gross profit	4,553	8,297	8,297	(3,744)	(3,744)	Gross profit	7,721	18,643
Selling, general & administrative expenses	Selling, general & administrative expenses	2,542	2,227	2,227	315	315	Selling, general & administrative expenses	5,202	4,914
Operating income	Operating income	2,011	6,070	6,070	(4,059)	(4,059)	Operating income	4,914	288
Operating income	Operating income	2,519	13,729	13,729	(11,210)	(11,210)	Operating income	(81.7)	

**Revenues.** The increase decrease in Electrical Systems Segment revenues of \$1.0 million primarily \$12.4 million resulted from increased pricing to offset material cost pass-through lower customer demand and labor inflationary items phase out of lower margin business.

**Gross Profit.** The decrease in gross profit of \$3.7 million \$10.9 million is primarily attributable to lower customer demand, restructuring activities, labor inflation and unfavorable foreign exchange impacts, partially offset by increased pricing to offset material cost through and labor inflationary items impacts. Cost of revenues increase decrease was driven by an increase in labor and overhead expenses of \$5.1 million, or 24.5%; partially offset by a decrease in raw material and purchased component costs of \$0.3 million \$7.4 million, or 1.3% 13.1%; offset by an increase in labor and overhead expenses of \$5.9 million, or 13.7%.

As a percentage of revenues, gross profit margin was 8.2% 7.3% for the three six months ended March 31, 2024 June 30, 2024 compared to 15.2% 15.7% for the three six months ended March 31, 2023. The decrease in gross profit margin was primarily due to June 30, 2023, driven by lower customer demand, restructuring activities, labor inflation, and unfavorable foreign exchange impacts. The three six months ended March 31, 2024 June 30, 2024 results include charges of \$1.1 million \$2.5 million associated with the restructuring program.

**Selling, General and Administrative Expenses.** SG&A expenses increased \$0.3 million for the three six months ended March 31, 2024 June 30, 2024 compared to the three six months ended March 31, 2023 June 30, 2023.

#### Aftermarket & Accessories Segment Results

**Three Six Months Ended March 31, 2024 June 30, 2024 Compared to Three Six Months Ended March 31, 2023 June 30, 2023**

The table below sets forth certain Aftermarket & Accessories Segment operating data for the three six months ended March 31 June 30, (dollars are in thousands):

		2024	2023	\$ Change	% Change	2024		2023	\$ Change
Revenues	Revenues	\$34,061	\$37,629	\$(-3,568)	(9.5%)	(9.5%)	Revenues	\$67,921	\$74,458
Gross profit	Gross profit	6,439	7,227	7,227	(788)	(788)	Gross profit	12,886	15,015
Selling, general & administrative expenses	Selling, general & administrative expenses	1,907	1,650	1,650	257	257	Selling, general & administrative expenses	3,900	3,913
Operating income	Operating income	4,532	5,577	5,577	(1,045)	(1,045)	Operating income	3,913	(13)

Operating income				
Operating income	8,986	11,102	(2,116)	(19.1)

**Revenues.** The decrease in Aftermarket & Accessories Segment revenues of **\$3.6 million** **\$6.5 million** primarily resulted from lower sales volume due to decreased customer demand and the reduction of backlog in the prior period.

**Gross Profit.** The decrease in gross profit of **\$2.1 million** is primarily attributable to the lower sales volume. Cost of revenues decreased in line with the sales decrease of **9.5%**, was driven by a decrease in raw material and purchased component costs of **\$2.7 million** **\$5.3 million**, or **13.6%**; and a decrease **13.9%**, offset by an increase in labor and overhead expenses of **\$0.1 million** **\$0.9 million**, or **1.1%**.

As a percentage of revenues, gross profit margin was **18.9%** for the three months ended March 31, 2024 compared to **19.2%** for the three months ended March 31, 2023. The decrease in gross profit margin was primarily due to lower sales volume and product mix.

**Selling, General and Administrative Expenses.** SG&A expenses increased \$0.3 million for the three months ended March 31, 2024 compared to the three months ended March 31, 2023.

#### Industrial Automation Segment Results

##### Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

The table below sets forth certain Industrial Automation Segment operating data for the three months ended March 31 (dollars are in thousands):

	2024	2023	\$ Change	% Change
Revenues	\$ 4,302	\$ 9,747	\$ (5,445)	(55.9)%
Gross profit	(556)	214	(770)	NM <sup>1</sup>
Selling, general & administrative expenses	1,439	1,076	363	33.7
Operating loss	(1,995)	(862)	(1,133)	131.4

<sup>1</sup> Not meaningful

**Revenues.** The decrease in Industrial Automation Segment revenues of **\$5.4 million** primarily resulted from lower sales volume due to decreased customer demand.

**Gross Profit.** The decrease in gross profit of **\$0.8 million** was primarily attributable to lower sales volume. Cost of revenues decreased in line with the sales decrease of **55.9%**, driven by a decrease in raw material and purchased component costs of **\$4.2 million**, or **62.2%**; and a decrease in labor and overhead expenses of **\$0.4 million**, or **15.8%** **4.0%**.

As a percentage of revenues, gross profit margin was **(12.9)%** **19.0%** for the **three** six months ended **March 31, 2024** **June 30, 2024** compared to **2.2%** **20.2%** for the **three** six months ended **March 31, 2023** **June 30, 2023**. The decrease in gross profit margin is This was primarily due to the previously noted lower sales volume, product mix, and higher labor and benefit costs. The **three** six months ended **March 31, 2024** **June 30, 2024** results include charges of **\$0.1 million** **\$0.2 million** associated with the restructuring program.

**Selling, General and Administrative Expenses.** SG&A expenses increased \$0.4 million for the **three** six months ended **March 31, 2024** **June 30, 2024** remained consistent with the expenses incurred in the six months ended June 30, 2023.

#### Industrial Automation Segment Results

##### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

The table below sets forth certain Industrial Automation Segment operating data for the six months ended June 30, (dollars are in thousands):

	2024	2023	\$ Change	% Change
Revenues	\$ 9,292	\$ 18,757	\$ (9,465)	(50.5)%
Gross profit (loss)	(748)	(422)	(326)	77.3
Selling, general & administrative expenses	2,262	2,501	(239)	(9.6)
Operating (loss) income	(3,010)	(2,923)	(87)	3.0

**Revenues.** The decrease in Industrial Automation Segment revenues of **\$9.5 million** primarily resulted from lower sales volume due to decreased customer demand.

**Gross Loss.** The increase in negative gross profit of **\$0.3 million** is primarily attributable to lower sales volume. Cost of revenues decrease was driven by a decrease in raw material and purchased component costs of **\$8.6 million**, or **60.0%**, and a decrease in labor and overhead expenses of **\$0.5 million**, or **10.9%**.

As a percentage of revenues, negative gross profit margin was **8.0%** for the six months ended June 30, 2024 compared to **2.2%** for the six months ended June 30, 2023 due to the previously noted lower sales volume and fixed cost absorption. The six months ended June 30, 2024 results include charges of **\$0.2 million** associated with the restructuring program.

**Selling, General and Administrative Expenses.** SG&A expenses decreased \$0.2 million for the six months ended June 30, 2024 compared to the **three six** months ended **March 31, 2023** June 30, 2023, primarily **attributable** driven by restructuring to be in line with the size of business partially offset by **an** investment in new product development.

#### Liquidity and Capital Resources

As of **March 31, 2024** June 30, 2024, the Company had total liquidity of **\$189.3 million** **\$192.2 million**, including **\$46.8 million** **\$39.3 million** of cash and **\$142.5 million** **\$152.9 million** of availability from its U.S. and China credit facilities.

Our primary sources of liquidity as of **March 31, June 30, 2024** were operating income, cash and availability under our credit facility. We believe that these sources of liquidity will provide adequate funds for our working capital needs, capital expenditures and debt service throughout the next twelve months. However, no assurance can be given that this will be the case. We also rely on the timely collection of receivables as a source of liquidity. As of **March 31, June 30, 2024**, we had outstanding letters of credit of \$1.1 million and borrowing availability of **\$142.5 million** **\$152.9 million** from our U.S. and China credit facilities.

As of **March 31, 2024** June 30, 2024, cash of **\$46.8 million** **\$39.3 million** was held by foreign subsidiaries. The Company had a **\$0.5** **0.6** million deferred tax liability as of **March 31, 2024** June 30, 2024 for the expected future income tax implications of repatriating cash from the foreign subsidiaries for which indefinite reinvestment is not expected.

#### Covenants and Liquidity

Our ability to comply with the covenants in the Credit Agreement, as discussed in Note 4, Debt, may be affected by economic or business conditions beyond our control. Based on our current forecast, we believe that we will be able to maintain compliance with the financial maintenance covenants and the fixed charge coverage ratio covenant and other covenants in the Credit Agreement for the next twelve months; however, no assurances can be given that we will be able to comply. We base our forecasts on historical experience, industry forecasts and other assumptions that we believe are reasonable under the circumstances. If actual results are substantially different than our current forecast, we may not be able to comply with our financial covenants.

#### Sources and Uses of Cash

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2023	2024	2023
(In thousands)				
Net cash (used in) provided by operating activities				
Net cash provided by operating activities				
Net cash used in investing activities				
Net cash provided by financing activities				
Effect of currency exchange rate changes on cash				
Net increase in cash				

**Operating activities.** For the **three six** months ended **March 31, 2024** June 30, 2024, net cash used in operating activities was \$2.4 million compared to net cash provided by operating activities of \$0.1 million was \$10.2 million compared to \$11.5 million for the **three six** months ended **March 31, 2023** June 30, 2023. Net cash used in provided by operating activities is primarily attributable to a **smaller** decrease in working capital for the six months ended June 30, 2024 as compared to higher net income offset by an increase in working capital offset by for the **decrease** in net income from the **three six** months ended **March 31, 2024** as compared to the three months ended March 31, 2023 June 30, 2023.

**Investing activities.** For the **three six** months ended **March 31, 2024** June 30, 2024, net cash used in investing activities of **\$1.9 million** **\$8.1 million** compared to **\$3.3 million** **\$9.2 million** for the **three six** months ended **March 31, 2023** June 30, 2023 was mainly due to an **increase** a **decrease** in capital expenditures, offset by \$3.2 million proceeds from sale of the Company's FinishTEK business during the **quarter** **current period**. In 2024, we expect capital expenditures to be in the range of \$25 million to \$30 million.

**Financing activities.** For the **three six** months ended **March 31, 2024** June 30, 2024, net cash provided by financing activities was **\$14.2 million** **\$0.4 million** compared to **\$12.4 million** **\$7.9 million** for the **three six** months ended **March 31, 2023** June 30, 2023. Net Decrease in net cash provided by financing activities for in the **three six** months ended **March 31, 2024** June 30, 2024 as compared to the six months ended June 30, 2023 is primarily attributable to a **decrease** in borrowings under the revolving credit facility to fund the working capital **increase** **capital**.

#### Debt and Credit Facilities

The debt and credit facilities descriptions in Note 4, Debt are incorporated in this section by reference.

## Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). For a comprehensive discussion of our significant accounting policies, see "Note 1. Significant Accounting Policies", to our consolidated financial statements in Item 8 in our 2023 Form 10-K.

Critical accounting estimates are those that are most important to the portrayal of our financial condition and results. These estimates require management's most difficult, subjective, or complex judgments, often as a result of the need to estimate matters that are inherently uncertain. We review the development, selection, and disclosure of our critical accounting estimates with the Audit Committee of our board of directors. For information about critical accounting estimates, see Critical Accounting Estimates in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2023 Form 10-K. At **March 31, 2024** **June 30, 2024**, there have been no material changes to our critical accounting estimates from those disclosed in our 2023 Form 10-K.

## Forward-Looking Statements

This Quarter Report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. For this purpose, any statements contained herein that are not statements of historical fact, including without limitation, certain statements under "Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations" and located elsewhere herein regarding industry outlook, the Company's expectations for future periods with respect to closing of the recently-announced sale of its Cab Structures Business, its plans to improve financial results, the future of the Company's end markets, changes in the Class 8 and Class 5-7 North American truck build rates, performance of the global construction and agricultural 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, financial covenant compliance, anticipated effects of acquisitions, production of new products, plans for capital expenditures and our results of operations or financial position and liquidity, may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believe", "anticipate", "plan", "expect", "intend", "will", "should", "could", "would", "project", "continue", "likely", and similar expressions, as they relate to us, are intended to identify forward-looking statements. The important factors discussed in "Item 1A - Risk Factors", among others, could cause actual results to differ materially from those indicated by forward-looking statements made herein and presented elsewhere by management from time to time. Such forward-looking statements represent management's current expectations and are inherently uncertain. Investors are warned that actual results may differ from management's expectations. Additionally, various economic and competitive factors could cause actual results to differ materially from those discussed in such forward-looking statements, including, but not limited to, factors which are outside our control.

Any forward-looking statement that we make in this report speaks only as of the date of such statement, and we undertake no obligation to update any forward-looking statement or to publicly announce the results of any revision to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

## ITEM 3 – QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For information relating to quantitative and qualitative disclosures about market risk, see the discussion under "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our 2023 Form 10-K. As of **March 31, 2024** **June 30, 2024**, there have been no material changes in our exposure to market risk from those disclosed in our 2023 Form 10-K.

## ITEM 4 – CONTROLS AND PROCEDURES

*Disclosure Controls and Procedures.* Our senior management is responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms.

We evaluated, the effectiveness of our disclosure controls and procedures as of **March 31, 2024** **June 30, 2024**. Based on this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of **March 31, 2024** **June 30, 2024** to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

*Changes in Internal Control over Financial Reporting.* There were no changes during the quarter ended **March 31, 2024** **June 30, 2024** in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

*Inherent Limitations on Effectiveness of Controls.* Our management, including our **Interim** President and Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of error or mistake. Controls also can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all

potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

## PART II. OTHER INFORMATION

### ITEM 1 Legal Proceedings

We are subject to various legal proceedings and claims arising in the ordinary course of business, including, but not limited to, product liability claims, customer and supplier disputes, service provider disputes, examinations by taxing authorities, employment disputes, workers' compensation claims, unfair labor practice charges, OSHA investigations, intellectual property disputes and environmental claims arising out of the conduct of our businesses. Based upon the information available to management and discussions with legal counsel, it is the opinion of management that the ultimate outcome of the various legal actions and claims that are incidental to our business are not expected to have a material adverse impact on the consolidated financial position, results of operations, stockholders' equity or cash flows; however, such matters are subject to many uncertainties and the outcomes of individual matters are not predictable with any degree of assurance.

### ITEM 1A Risk Factors

You should carefully consider the information in this Form 10-Q, the risk factors discussed in "Risk Factors" and other risks discussed in our 2023 Form 10-K and our filings with the SEC since December 31, 2023. These risks could materially and adversely affect our results of operations, financial condition, liquidity and cash flows. Our business also could be affected by risks that we are not presently aware of or that we currently consider immaterial to our operations.

### ITEM 2 Unregistered Sales of Equity Securities and Use of Proceeds

We did not sell any equity securities during the **three** **six** months ended **March 31, 2024** **June 30, 2024** that were not registered under the Securities Act of 1933, as amended. We did not repurchase any equity securities during the **three** **six** months ended **March 31, 2024** **June 30, 2024**.

### ITEM 3 Defaults Upon Senior Securities

Not applicable.

### ITEM 4 Mine Safety Disclosures

Not applicable.

### ITEM 5 Other Information

Neither the Company nor any of our officers or directors adopted or terminated a Rule 10b5-1 or non-Rule 10b5-1 trading arrangement as defined by Item 408(a) and Item 408(d) of Regulation S-K during the last fiscal quarter.

### ITEM 6 Exhibits

- [31.1](#) 302 Certification by James R. Ray, President and Chief Executive Officer.
- [31.2](#) 302 Certification by Andy Cheung, Executive Vice President and Chief Financial Officer.
- [32.1](#) Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- [32.2](#) Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101 Interactive Data Files

### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMMERCIAL VEHICLE GROUP, INC.

Date: **May 6, August 5, 2024** By **/s/ Andy Cheung**  
Chung Kin Cheung ("Andy Cheung")  
Chief Financial Officer  
(Principal Financial Officer)

Date: **May 6, August 5, 2024** By **/s/ Angela M. O'Leary**  
Angela M. O'Leary  
Chief Accounting Officer  
(Principal Accounting Officer)

**2632**

**EXHIBIT 31.1**

**302 CERTIFICATION**

I, James R. **ray, Ray**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Commercial Vehicle Group, Inc. and Subsidiaries;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

**May 6, August 5, 2024**

/s/ James R. Ray

James R. Ray

President and Chief Executive Officer

(Principal Executive Officer)

EXHIBIT 31.2

**302 CERTIFICATION**

I, Andy Cheung, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Commercial Vehicle Group, Inc. and Subsidiaries;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and audit committee of the registrant's board of directors (or persons performing the equivalent function):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 6, August 5, 2024

/s/ Andy Cheung

Chung Kin Cheung ("Andy Cheung")

Chief Financial Officer

(Principal Financial Officer)

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO**

REFINITIV CORPORATE DISCLOSURES | [www.refinitiv.com](http://www.refinitiv.com) | Contact Us

36/38

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

**REFINITIV** 

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Commercial Vehicle Group, Inc. (the "Company") on Form 10-Q for the period ended **March 31, 2024** **June 30, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James R. Ray, President and Chief Executive Officer (Principal Executive Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

**May 6, August 5, 2024**

/s/ James R. Ray  
James R. Ray  
President and Chief Executive Officer  
(Principal Executive Officer)

**EXHIBIT 32.2**

CERTIFICATION PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Commercial Vehicle Group, Inc. (the "Company") on Form 10-Q for the period ended **March 31, 2024** **June 30, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andy Cheung, Chief Financial Officer (Principal Financial Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

**May 6, August 5, 2024**

/s/ Andy Cheung  
Chung Kin Cheung ("Andy Cheung")  
Chief Financial Officer  
(Principal Financial Officer)

#### DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.