REFINITIV

# DELTA REPORT

## 10-Q

CMT - CORE MOLDING TECHNOLOGIES

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

| TOTAL DELTAS | 685 |
|---|---|
| CHANGES | 231 |
| DELETIONS | 225 |
| ADDITIONS | 229 |

**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 September 30, 2023 March 31, 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 001-12505**

# CORE MOLDING TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

| Delaware | 31-1481870 |
|---|---|
| (State or other jurisdiction incorporation or organization) | (I.R.S. Employer Identification No.) |
| 800 Manor Park Drive, Columbus, Ohio | 43228-0183 |
| (Address of principal executive office) | (Zip Code) |

Registrant's telephone number, including area code (614) 870-5000
N/A

Former name, former address and former fiscal year, if changed since last report.

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 (or for such shorter period that the registrant was required to file such reports), 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 (§232.405 of this chapter) 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, or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer," and "smaller reporting company," in Rule 12b-2 of the Exchange Act.

| | | | | |
|---|---|---|---|---|
| Large accelerated filer ¨ | Accelerated Filer ☒ | Accelerated filer Non-accelerated Filer ¨ | Non-accelerated Filer ☒ | Smaller reporting company ☒ |
| | | | Emerging growth company ☐ | |

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 ☒

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

| Title of each class | Name of each exchange on which registered | Trading Symbol |
|---|---|---|
| Common Stock, par value $0.01 | NYSE American LLC | CMT |

As of November 6, 2023 May 6, 2024, the latest practicable date, 9,040,704 9,144,640 shares of the registrant's common stock were issued, which includes 385,320 446,999 shares of unvested stock awards. restricted common stock.

**Table of Contents**

**Part I — Financial Information**

**Item 1. Financial Statements**

**Core Molding Technologies, Inc. and Subsidiaries**
**Consolidated Statements of Operations**
**(In thousands, except for per share data)**
**(Unaudited)**

| | | | | |
|---|---|---|---|---|
| | Three months ended March 31, | | | |
| | Three months ended March 31, | | | |
| | Three months ended March 31, | | | |
| | 2024 | | | |
| | 2024 | | | |
| | 2024 | | | |
| Net sales | | | | |
| Net sales | | | | |
| Net sales | | | | |
| | Three months ended September 30, | | Nine months ended September 30, | |
| Cost of sales | | | | |
| | 2023 | 2022 | 2023 | 2022 |

| | | | | | |
|---|---|---|---|---|---|
| **Net sales** | | $ 86,728 | $ 101,606 | $ 283,961 | $ 290,933 |
| **Cost of sales** | | | | | |
| **Cost of sales** | **Cost of sales** | 71,450 | 88,303 | 230,380 | 250,015 |
| **Gross margin** | **Gross margin** | 15,278 | 13,303 | 53,581 | 40,918 |
| **Gross margin** | | | | | |
| **Gross margin** | | | | | |
| **Selling, general and administrative expense** | | | | | |
| **Selling, general and administrative expense** | | | | | |
| **Selling, general and administrative expense** | **Selling, general and administrative expense** | 9,403 | 8,671 | 29,562 | 25,889 |
| **Operating income** | **Operating income** | 5,875 | 4,632 | 24,019 | 15,029 |
| **Operating income** | | | | | |
| **Operating income** | | | | | |
| **Other income and expense** | **Other income and expense** | | | | |
| Loss from extinguishment of debt | | — | 1,582 | — | 1,582 |
| Interest expense, net | | 187 | 511 | 836 | 1,511 |
| **Other income and expense** | | | | | |
| **Other income and expense** | | | | | |
| Net interest expense | | | | | |
| Net interest expense | | | | | |
| Net interest expense | | | | | |
| Net periodic post-retirement benefit | Net periodic post-retirement benefit | (52) | (31) | (157) | (93) |
| **Total other expense** | | 135 | 2,062 | 679 | 3,000 |
| Net periodic post-retirement benefit | | | | | |
| Net periodic post-retirement benefit | | | | | |
| **Total other (income) and expense** | | | | | |
| **Total other (income) and expense** | | | | | |
| **Total other (income) and expense** | | | | | |
| **Income before taxes** | | | | | |
| **Income before taxes** | | | | | |
| **Income before taxes** | **Income before taxes** | 5,740 | 2,570 | 23,340 | 12,029 |
| **Income tax expense** | **Income tax expense** | 1,386 | 1,251 | 5,198 | 4,658 |
| **Income tax expense** | | | | | |
| **Income tax expense** | | | | | |
| **Net income** | | | | | |
| **Net income** | | | | | |
| **Net income** | **Net income** | $ 4,354 | $ 1,319 | $ 18,142 | $ 7,371 |
| **Net income per common share:** | **Net income per common share:** | | | | |
| **Net income per common share:** | | | | | |
| **Net income per common share:** | | | | | |
| Basic | | | | | |
| Basic | | | | | |
| Basic | Basic | $ 0.50 | $ 0.16 | $ 2.13 | $ 0.87 |

| | | | | | |
|---|---|---|---|---|---|
| Diluted | Diluted | $ 0.49 | $ 0.16 | $ 2.08 | $ 0.87 |
| Diluted | | | | | |
| Diluted | | | | | |

See notes to unaudited consolidated financial statements.

**Core Molding Technologies, Inc. and Subsidiaries**
**Consolidated Statements of Comprehensive Income**
**(In thousands)**
**(Unaudited)**

| | | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|---|
| | | **2023** | **2022** | **2023** | **2022** |
| | | **Three months ended March 31,** | | | |
| | | **Three months ended March 31,** | | | |
| | | **Three months ended March 31,** | | | |
| | | **2024** | | | |
| | | **2024** | | | |
| | | **2024** | | | |
| **Net income** | | | | | |
| **Net income** | | | | | |
| **Net income** | **Net income** | $ 4,354 | $ 1,319 | $ 18,142 | $ 7,371 |
| **Other comprehensive income:** | **Other comprehensive income:** | | | | |
| **Other comprehensive income:** | | | | | |
| **Other comprehensive income:** | | | | | |
| Foreign currency hedging derivatives: | | | | | |
| Foreign currency hedging derivatives: | | | | | |
| Foreign currency hedging derivatives: | Foreign currency hedging derivatives: | | | | |
| Unrealized hedge gain (loss) | Unrealized hedge gain (loss) | (898) | (626) | 208 | (626) |
| Income tax expense (benefit) | | 192 | 159 | (50) | 159 |
| Unrealized hedge gain (loss) | | | | | |
| Unrealized hedge gain (loss) | | | | | |
| Net of tax benefit (expense) | | | | | |
| Net of tax benefit (expense) | | | | | |
| Net of tax benefit (expense) | | | | | |
| Interest rate swaps: | Interest rate swaps: | | | | |
| Unrealized hedge gain | | 209 | 767 | 366 | 767 |
| Income tax expense | | (44) | (166) | (76) | (166) |
| Interest rate swaps: | | | | | |
| Interest rate swaps: | | | | | |
| Unrealized hedge gain (loss) | | | | | |
| Unrealized hedge gain (loss) | | | | | |
| Unrealized hedge gain (loss) | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Net of tax benefit (expense) | | | | | | | | | |
| Net of tax benefit (expense) | | | | | | | | | |
| Net of tax benefit (expense) | | | | | | | | | |
| Post-retirement benefit plan adjustments: | Post-retirement benefit plan adjustments: | | | | | | | | |
| Amortization of net actuarial loss | | | 6 | | 43 | | 18 | | 130 |
| Post-retirement benefit plan adjustments: | | | | | | | | | |
| Post-retirement benefit plan adjustments: | | | | | | | | | |
| Amortization of net actuarial (gain) loss | | | | | | | | | |
| Amortization of net actuarial (gain) loss | | | | | | | | | |
| Amortization of net actuarial (gain) loss | | | | | | | | | |
| Amortization of prior service credits | Amortization of prior service credits | | (124) | | (124) | | (372) | | (372) |
| Income tax benefit | | | 25 | | 17 | | 75 | | 51 |
| Amortization of prior service credits | | | | | | | | | |
| Amortization of prior service credits | | | | | | | | | |
| Net of tax benefit | | | | | | | | | |
| Net of tax benefit | | | | | | | | | |
| Net of tax benefit | | | | | | | | | |
| **Comprehensive income** | **Comprehensive income** | $ | 3,720 | $ | 1,389 | $ | 18,311 | $ | 7,314 |
| **Comprehensive income** | | | | | | | | | |
| **Comprehensive income** | | | | | | | | | |

See notes to unaudited consolidated financial statements.

**Core Molding Technologies, Inc. and Subsidiaries**
**Consolidated Balance Sheets**
**(In thousands, except for share data)**

| | | | | | |
|---|---|---|---|---|---|
| | | **September 30, 2023 (Unaudited)** | **December 31, 2022** | | |
| | **March 31, 2024 (Unaudited)** | | | **March 31, 2024** | **December 31, 2023** |
| **Assets:** | | | | | |
| **Assets:** | | | | | |
| **Assets:** | **Assets:** | | | | |
| Current assets: | Current assets: | | | | |
| Current assets: | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | | | | | |
| Cash and cash equivalents | | | | | |
| Cash and cash equivalents | Cash and cash equivalents | $ 18,035 | $ 4,183 | | |

| | | | |
|---|---|---|---|
| Accounts receivable, net | Accounts receivable, net | 45,938 | 44,261 |
| Inventories, net | Inventories, net | 24,988 | 23,871 |
| Foreign tax receivable | Foreign tax receivable | 5,492 | 2,680 |
| Prepaid expenses and other current assets | Prepaid expenses and other current assets | 7,679 | 5,670 |
| Total current assets | Total current assets | 102,132 | 80,665 |
| Right of use asset | Right of use asset | 4,261 | 5,114 |
| Right of use asset | | | |
| Right of use asset | | | |
| Property, plant and equipment, net | Property, plant and equipment, net | 81,788 | 83,267 |
| Goodwill | | | |
| Goodwill | | | |
| Goodwill | Goodwill | 17,376 | 17,376 |
| Intangibles, net | Intangibles, net | 6,414 | 7,619 |
| Other non-current assets | Other non-current assets | 4,686 | 4,574 |
| **Total Assets** | **Total Assets** | $ 216,657 | $ 198,615 |
| **Liabilities and Stockholders' Equity:** | **Liabilities and Stockholders' Equity:** | | |
| **Liabilities and Stockholders' Equity:** | | | |
| **Liabilities and Stockholders' Equity:** | | | |
| Current liabilities: | | | |
| Current liabilities: | | | |
| Current liabilities: | Current liabilities: | | |
| Current portion of long-term debt | Current portion of long-term debt | $ 1,310 | $ 1,208 |
| Revolving debt | | — | 1,864 |
| Current portion of long-term debt | | | |
| Current portion of long-term debt | | | |
| Accounts payable | Accounts payable | 28,682 | 29,586 |
| Taxes payable | | 2,557 | 1,236 |
| Contract liability | | | |
| Contract liability | | | |
| Contract liability | Contract liability | 1,146 | 1,395 |

| | | | | |
|---|---|---|---|---|
| Compensation and related benefits | | | | |
| Compensation and related benefits | | | | |
| Compensation and related benefits | Compensation and related benefits | 10,523 | 9,101 | |
| Accrued other liabilities | Accrued other liabilities | 8,652 | 6,407 | |
| Total current liabilities | Total current liabilities | 52,870 | 50,797 | |
| Other non-current liabilities | | | | |
| Other non-current liabilities | | | | |
| Other non-current liabilities | Other non-current liabilities | 2,998 | 3,516 | |
| Long-term debt | Long-term debt | 21,982 | 22,986 | |
| Post-retirement benefits liability | Post-retirement benefits liability | 4,815 | 5,191 | |
| **Total Liabilities** | **Total Liabilities** | 82,665 | 82,490 | |
| **Commitments and Contingencies** | **Commitments and Contingencies** | | | **Commitments and Contingencies** |
| **Stockholders' Equity:** | **Stockholders' Equity:** | | | |
| Preferred stock — $0.01 par value, authorized shares — 10,000,000; no shares outstanding at September 30, 2023 and December 31, 2022 | | | — | |
| Common stock — $0.01 par value, authorized shares – 20,000,000; outstanding shares: 8,655,384 at September 30, 2023 and 8,417,656 at December 31, 2022 | | 86 | 84 | |
| Preferred stock — $0.01 par value, authorized shares — 10,000,000; no shares outstanding at March 31, 2024 and December 31, 2023 | | | | |
| Preferred stock — $0.01 par value, authorized shares — 10,000,000; no shares outstanding at March 31, 2024 and December 31, 2023 | | | | |
| Preferred stock — $0.01 par value, authorized shares — 10,000,000; no shares outstanding at March 31, 2024 and December 31, 2023 | | | | |

| | | | |
|---|---|---|---|
| Common stock — $0.01 par value, authorized shares – 20,000,000; outstanding shares: 8,697,641 at March 31, 2024 and 8,655,384 at December 31, 2023 | | | |
| Paid-in capital | Paid-in capital | 42,565 | 40,342 |
| Accumulated other comprehensive income, net of income taxes | Accumulated other comprehensive income, net of income taxes | 3,222 | 3,053 |
| Treasury stock - at cost, 3,992,152 shares at September 30, 2023 and 3,866,451 shares at December 31, 2022 | | (31,768) | (29,099) |
| Treasury stock - at cost, 4,009,925 shares at March 31, 2024 and 3,992,152 shares at December 31, 2023 | | | |
| Retained earnings | Retained earnings | 119,887 | 101,745 |
| **Total Stockholders' Equity** | **Total Stockholders' Equity** | 133,992 | 116,125 |
| **Total Liabilities and Stockholders' Equity** | **Total Liabilities and Stockholders' Equity** | $ 216,657 | $ 198,615 |

See notes to unaudited consolidated financial statements.

**Core Molding Technologies, Inc. and Subsidiaries**
**Consolidated Statements Statement of Stockholders' Equity**
**(In thousands, except for share data)**
**(Unaudited)**

For the three months ended September 30, 2022:

| | Common Stock Outstanding | | | Accumulated | | | |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Paid-In Capital | Other Comprehensive Income | Treasury Stock | Retained Earnings | Total Stockholders' Equity |
| **Balance at June 30, 2022** | 8,413,655 | $ 84 | $ 39,095 | $ 948 | $ (29,099) | $ 95,594 | $ 106,622 |

| | Shares | | Amount | | Paid-In Capital | | Accumulated Other Comprehensive Income | | Treasury Stock | | Retained Earnings | | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net income | | | | | | | | | | | 1,319 | | 1,319 |
| Change in post-retirement benefits, net of tax $17 | | | | | | | (64) | | | | | | (64) |
| Change in foreign currency hedge, net of tax of $159 | | | | | | | (467) | | | | | | (467) |
| Change in interest rate swaps, net of tax of $166 | | | | | | | 639 | | | | | | 639 |
| Share-based compensation | | | | | 623 | | | | | | | | 623 |
| **Balance at September 30, 2022** | 8,413,655 | $ | 84 | $ | 39,718 | $ | 1,056 | $ | (29,099) | $ | 96,913 | $ | 108,672 |

For the nine months ended September 30, 2022 March 31, 2023:

| | Common Stock Outstanding | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | | Amount | | Paid-In Capital | | Accumulated Other Comprehensive Income | | Treasury Stock | | Retained Earnings | | Total Stockholders' Equity |
| **Balance at December 31, 2021** | 8,235,740 | $ | 82 | $ | 38,013 | $ | 1,075 | $ | (28,617) | $ | 89,542 | $ | 100,095 |
| Net income | | | | | | | | | | | 7,371 | | 7,371 |
| Change in post-retirement benefits, net of tax $51 | | | | | | | (191) | | | | | | (191) |
| Change in foreign currency hedge, net of tax of $159 | | | | | | | (467) | | | | | | (467) |
| Change in interest rate swaps, net of tax of $166 | | | | | | | 639 | | | | | | 639 |
| Purchase of treasury stock | (48,286) | | | | | | | | (482) | | | | (482) |
| Restricted stock vested | 226,201 | | 2 | | | | | | | | | | 2 |
| Share-based compensation | | | | | 1,705 | | | | | | | | 1,705 |
| **Balance at September 30, 2022** | 8,413,655 | $ | 84 | $ | 39,718 | $ | 1,056 | $ | (29,099) | $ | 96,913 | $ | 108,672 |

| | Common Stock Outstanding | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | | Amount | | Paid-In Capital | | Accumulated Other Comprehensive Income | | Treasury Stock | | Retained Earnings | | Total Stockholders' Equity |
| **Balance at December 31, 2022** | 8,417,656 | $ | 84 | $ | 40,342 | $ | 3,053 | $ | (29,099) | $ | 101,745 | $ | 116,125 |
| Net income | | | | | | | | | | | 5,852 | | 5,852 |
| Change in post-retirement benefits, net of tax $25 | | | | | | | (93) | | | | | | (93) |
| Change in foreign currency hedge, net of tax of $105 | | | | | | | 383 | | | | | | 383 |
| Change in interest rate swaps, net of tax of $64 | | | | | | | (242) | | | | | | (242) |
| Restricted stock vested | 4,002 | | — | | — | | | | | | | | — |
| Purchase of treasury stock | (1,318) | | | | | | | | (23) | | | | (23) |
| Share-based compensation | | | | | 731 | | | | | | | | 731 |
| **Balance at March 31, 2023** | 8,420,340 | $ | 84 | $ | 41,073 | $ | 3,101 | $ | (29,122) | $ | 107,597 | $ | 122,733 |

**Core Molding Technologies, Inc. and Subsidiaries**
**Consolidated Statements of Stockholders' Equity (Continued)**
**(In thousands, except for share data)**

(Unaudited)

For the three months ended September 30, 2023 March 31, 2024:

| | Common Stock Outstanding | | Paid-In | Accumulated Other Comprehensive | Treasury | Retained | Total Stockholders' |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Capital | Income | Stock | Earnings | Equity |
| **Balance at June 30, 2023** | 8,603,072 | $ 86 | $ 41,829 | $ 3,856 | $ (31,006) | $ 115,533 | $ 130,298 |
| Net income | | | | | | 4,354 | 4,354 |
| Change in post-retirement benefits, net of tax of $25 | | | | (93) | | | (93) |
| Change in foreign currency hedge, net of tax of $192 | | | | (706) | | | (706) |
| Change in interest rate swaps, net of tax of $44 | | | | 165 | | | 165 |
| Purchase of treasury stock | (29,804) | | | | (762) | | (762) |
| Exercise of SARs | 69,309 | | | | | | — |
| Restricted stock vested | 12,807 | | | | | | — |
| Share-based compensation | | | 736 | | | | 736 |
| **Balance at September 30, 2023** | 8,655,384 | $ 86 | $ 42,565 | $ 3,222 | $ (31,768) | $ 119,887 | $ 133,992 |

For the nine months ended September 30, 2023:

| | Common Stock Outstanding | | Paid-In | Accumulated Other Comprehensive | Treasury | Retained | Total Stockholders' |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Capital | Income | Stock | Earnings | Equity |
| **Balance at December 31, 2022** | 8,417,656 | $ 84 | $ 40,342 | $ 3,053 | $ (29,099) | $ 101,745 | $ 116,125 |
| Net income | | | | | | 18,142 | 18,142 |
| Change in post-retirement benefits, net of tax of $75 | | | | (279) | | | (279) |
| Change in foreign currency hedge, net of tax of $50 | | | | 158 | | | 158 |
| Change in interest rate swaps, net of tax of $76 | | | | 290 | | | 290 |
| Purchase of treasury stock | (125,701) | (1) | | | (2,669) | | (2,670) |
| Exercise of SARs | 100,641 | 1 | | | | | 1 |
| Restricted stock vested | 262,788 | 2 | | | | | 2 |
| Share-based compensation | | | 2,223 | | | | 2,223 |
| **Balance at September 30, 2023** | 8,655,384 | $ 86 | $ 42,565 | $ 3,222 | $ (31,768) | $ 119,887 | $ 133,992 |

| | Common Stock Outstanding | | Paid-In | Accumulated Other Comprehensive | Treasury | Retained | Total Stockholders' |
|---|---|---|---|---|---|---|---|
| | Shares | Amount | Capital | Income | Stock | Earnings | Equity |
| **Balance at December 31, 2023** | 8,655,384 | $ 86 | $ 43,265 | $ 5,301 | $ (31,768) | $ 122,069 | $ 138,953 |
| Net income | | | | | | 3,759 | 3,759 |
| Change in post-retirement benefits, net of tax of $34 | | | | (127) | | | (127) |
| Change in foreign currency hedge, net of tax of $105 | | | | (382) | | | (382) |
| Change in interest rate swaps, net of tax of $57 | | | | 215 | | | 215 |
| Restricted stock vested | 60,030 | 1 | | | | | 1 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Purchase of treasury stock | (17,773) | — | | | (343) | | (343) |
| Share-based compensation | | | 739 | | | | 739 |
| **Balance at March 31, 2024** | 8,697,641 | $ 87 | $ 44,004 | $ 5,007 | $ (32,111) | $ 125,828 | $ 142,815 |

See notes to unaudited consolidated financial statements.

**Core Molding Technologies, Inc. and Subsidiaries**
**Consolidated Statements of Cash Flows**
**(In thousands)**
**(Unaudited)**

| | | | | | |
|---|---|---|---|---|---|
| | | **Nine months ended September 30,** | | | |
| | | **2023** | **2022** | | |
| | **Three months ended March 31,** | | | **Three months ended March 31,** | |
| | **2024** | | | **2024** | **2023** |
| **Cash flows from operating activities:** | **Cash flows from operating activities:** | | | | |
| Net income | | | | | |
| Net income | | | | | |
| Net income | Net income | $18,142 | $ 7,371 | | |
| Adjustments to reconcile net income to net cash provided by operating activities: | Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | Depreciation and amortization | 9,575 | 9,406 | | |
| Loss on disposal of assets | | 80 | — | | |
| Depreciation and amortization | | | | | |
| Depreciation and amortization | | | | | |
| Loss on disposal of property, plant and equipment | | | | | |
| Share-based compensation | Share-based compensation | 2,223 | 1,705 | | |
| Loss from extinguishment of debt | | — | 1,234 | | |
| Losses on foreign currency remeasurement | | 202 | 178 | | |
| Share-based compensation | | | | | |
| Share-based compensation | | | | | |
| Losses (Gain) on foreign currency remeasurement | | | | | |

| | | | |
|---|---|---|---|
| Losses (Gain) on foreign currency remeasurement | | | |
| Losses (Gain) on foreign currency remeasurement | | | |
| Change in operating assets and liabilities: | Change in operating assets and liabilities: | | |
| Accounts receivable | | | |
| Accounts receivable | | | |
| Accounts receivable | Accounts receivable | (1,677) | (19,036) |
| Inventories | Inventories | (1,117) | (1,725) |
| Prepaid and other assets | Prepaid and other assets | (4,474) | 1,940 |
| Accounts payable | Accounts payable | (414) | 10,355 |
| Accrued and other liabilities | Accrued and other liabilities | 4,340 | (2,773) |
| Post-retirement benefits liability | Post-retirement benefits liability | (731) | (166) |
| **Net cash provided by operating activities** | **Net cash provided by operating activities** | 26,149 | 8,489 |
| **Cash flows from investing activities:** | **Cash flows from investing activities:** | | |
| **Cash flows from investing activities:** | | | |
| **Cash flows from investing activities:** | | | |
| Purchase of property, plant and equipment | | | |
| Purchase of property, plant and equipment | | | |
| Purchase of property, plant and equipment | Purchase of property, plant and equipment | (6,803) | (12,284) |
| **Net cash used in investing activities** | **Net cash used in investing activities** | (6,803) | (12,284) |
| **Cash flows from financing activities:** | **Cash flows from financing activities:** | | |
| **Cash flows from financing activities:** | | | |
| **Cash flows from financing activities:** | | | |

| | | | |
|---|---|---|---|
| Gross repayments on revolving line of credit | | | |
| Gross repayments on revolving line of credit | | | |
| Gross repayments on revolving line of credit | Gross repayments on revolving line of credit | (38,962) | (120,357) |
| Gross borrowings on revolving line of credit | Gross borrowings on revolving line of credit | 37,098 | 119,985 |
| Payments for taxes related to net share settlement of equity awards | Payments for taxes related to net share settlement of equity awards | (2,669) | (482) |
| Payment of deferred loan costs | | — | (402) |
| Proceeds from term loan | | — | 25,000 |
| Payment of principal on term loans | | | |
| Payment of principal on term loans | | | |
| Payment of principal on term loans | Payment of principal on term loans | (961) | (25,586) |
| **Net cash used in financing activities** | **Net cash used in financing activities** | (5,494) | (1,842) |
| **Net change in cash and cash equivalents** | **Net change in cash and cash equivalents** | 13,852 | (5,637) |
| **Net change in cash and cash equivalents** | | | |
| **Net change in cash and cash equivalents** | | | |
| **Cash and cash equivalents at beginning of period** | | | |
| **Cash and cash equivalents at beginning of period** | | | |
| **Cash and cash equivalents at beginning of period** | **Cash and cash equivalents at beginning of period** | 4,183 | 6,146 |
| **Cash and cash equivalents at end of period** | **Cash and cash equivalents at end of period** | $18,035 | $ 509 |
| **Cash and cash equivalents at end of period** | | | |
| **Cash and cash equivalents at end of period** | | | |
| Cash paid for: | Cash paid for: | | |
| Cash paid for: | | | |

| | | | |
|---|---|---|---|
| Cash paid for: | | | |
| Interest | | | |
| Interest | | | |
| Interest | Interest | $ 939 | $ 1,320 |
| Income taxes | Income taxes | $ 4,518 | $ 5,378 |
| Non-cash investing activities: | Non-cash investing activities: | | |
| Fixed asset purchases in accounts payable and other non-current liabilities | | $ 848 | $ 1,058 |
| Non-cash financing activities: | | | |
| Deposit used in payment of principal on term loans | | $ — | $ 1,200 |
| Fixed asset purchases in accounts payable | | | |
| Fixed asset purchases in accounts payable | | | |
| Fixed asset purchases in accounts payable | | | |

See notes to unaudited consolidated financial statements.

**Core Molding Technologies, Inc. and Subsidiaries**
**Notes to Consolidated Financial Statements**
**(Unaudited)**

**1. BASIS OF PRESENTATION**

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and include all of the information and disclosures required by accounting principles generally accepted in the United States of America for interim reporting, which are less than those required for annual reporting. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (all of which are normal and recurring in nature) necessary to present fairly the financial position of Core Molding Technologies, Inc. and its subsidiaries (“Core Molding Technologies” or the “Company”) at September 30, 2023 March 31, 2024, and the results of operations and cash flows for the nine three months ended September 30, 2023 March 31, 2024. The Company has reclassified certain prior-year amounts to conform to the current year's presentation. The “Notes to Consolidated Financial Statements” contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, should be read in conjunction with these consolidated financial statements.

Core Molding Technologies and its subsidiaries operate in the engineered materials market as one operating segment as a molder of thermoplastic and thermoset structural products. The Company produces and sells molded products for varied markets, including medium and heavy-duty trucks, power sports, building products, industrial and utilities and other commercial markets. Core Molding Technologies has its headquarters in Columbus, Ohio, and operates six production facilities in the United States, Canada and Mexico.

**2. CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

***Principles of Consolidation:*** Management believes the following critical accounting policies, among others, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

***Use of Estimates:*** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

***Revenue Recognition:*** The Company historically has recognized revenue from two streams, product revenue and tooling revenue. Product revenue is earned from the manufacture and sale of sheet molding compounds and thermoset and thermoplastic products. Revenue from product sales is generally recognized when products are shipped, as the Company transfers control to the customer and is entitled to payment upon shipment. In certain circumstances, the Company recognizes revenue from product sales when products are produced and the customer takes control at our production facility.

Tooling revenue is earned from manufacturing multiple tools, molds and assembly equipment as part of a tooling program for a customer. Given that the Company is providing a significant service of producing highly interdependent component parts of the tooling program, each tooling program consists of a single performance obligation to provide the customer the capability to produce a single product. Based on the arrangement with the customer, the Company recognizes revenue either at a point in time or over a given period. When the Company does not have an enforceable right to payment, the Company recognizes tooling revenue at a point in time. In such cases, the Company recognizes revenue upon customer acceptance, which is when the customer has legal title to the tools.

Certain tooling programs include an enforceable right to payment. In those cases, the Company recognizes revenue over time based on the extent of progress towards completion of its performance obligation. The Company uses a cost-to-cost measure of progress for such contracts because it best depicts the transfer of value to the customer and also correlates with the amount of consideration to which the entity expects to be entitled titled in exchange for transferring the promised goods or services to the customer. Under the cost-to-cost measure of progress, progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues are recorded proportionally as costs are incurred.

***Cash and Cash Equivalents:*** The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash is held primarily in three banks in three separate jurisdictions. The Company had $18,035,000 $26,618,000 cash on hand at September 30, 2023 March 31, 2024 and had $4,183,000 $24,104,000 cash on hand at December 31, 2022 December 31, 2023.

***Accounts Receivable Allowances:*** Management maintains allowances for doubtful accounts for estimated credit losses resulting from the inability of its customers to make required payments. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The Company has determined that no a $90,000 allowance for doubtful accounts credit losses is needed at September 30, 2023 March 31, 2024 and December 31, 2022, respectively. none is needed at December 31, 2023. Management also records estimates for customer returns and deductions, discounts offered to customers, and for price adjustments. Should customer returns and deductions, discounts, and price adjustments fluctuate from the estimated amounts, additional allowances may be required. The Company had an allowance for estimated chargebacks of $479,000 $123,000 at September 30, 2023 March 31, 2024 and $502,000 $138,000 at December 31, 2022 December 31, 2023. There have been no material changes in the methodology of these calculations.

***Inventories:*** Inventories, which include material, labor and manufacturing overhead, are valued at the lower of cost or net realizable value. The inventories are accounted for using the first-in, first-out (FIFO) method of determining inventory costs. Inventory quantities on-hand are regularly reviewed, and where necessary, provisions for excess and obsolete inventory are recorded based on historical and anticipated usage. The Company has recorded an allowance for slow moving and obsolete inventory of $648,000 $730,000 at September 30, 2023 March 31, 2024 and $433,000 $671,000 at December 31, 2022 December 31, 2023.

***Contract Assets/Liabilities:*** Contract assets and liabilities represent the net cumulative customer billings, vendor payments and revenue recognized for tooling programs. For tooling programs where net revenue recognized and vendor payments exceed customer billings, the Company recognizes a contract asset. For tooling programs where net customer billings exceed revenue recognized and vendor payments, the Company recognizes a contract liability. Customer payment terms vary by contract and can range from progress payments based on work performed or one single payment once the contract is completed. The Company has recorded contract assets of $1,594,000 $80,000 at September 30, 2023 March 31, 2024, and $344,000 $77,000 at December 31, 2022 December 31, 2023. Contract assets are generally classified as current within prepaid expenses and other current assets on the Consolidated Balance Sheets. For the nine three months ended September 30, 2023, March 31, 2024 and March 31, 2023 the Company recognized no impairments on contract assets. For the nine three months ended September 30, 2023 March 31, 2024, the Company recognized $2,942,000 $1,841,000 of revenue from contract liabilities related to open jobs outstanding as of December 31, 2022 December 31, 2023.

***Income Taxes:*** The Company evaluates the balance of deferred tax assets that will be realized based on the premise that the Company is more-likely-than-not to realize deferred tax benefits through the generation of future taxable income.

***Long-Lived Assets:*** Long-lived assets consist primarily of property, plant and equipment and definite-lived intangibles. The recoverability of long-lived assets is evaluated by an analysis of operating results and consideration of other significant events or changes in the business environment. The Company evaluates whether impairment exists for property, plant and equipment on the basis of undiscounted expected future cash flows from operations before interest. There were no impairment charges of the Company's long-lived assets for the nine three months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, respectively.

***Goodwill:*** The purchase consideration of acquired businesses has been allocated to the assets and liabilities acquired based on the estimated fair values on the respective acquisition dates. Based on these values, the excess purchase consideration over the fair value of the net assets acquired was allocated to goodwill. The Company accounts for goodwill in accordance with FASB ASC Topic 350, Intangibles - Goodwill and Other. FASB ASC Topic 350 prohibits the amortization of goodwill and requires these assets be reviewed for impairment.

The annual impairment tests of goodwill may be completed through qualitative assessments; however, the Company may elect to bypass the qualitative assessment and proceed directly to a quantitative impairment test for any period. The Company may resume the qualitative assessment in any subsequent period.

Under a qualitative and quantitative approach, the impairment test for goodwill consists of an assessment of whether it is more-likely-than-not that the fair value is less than its carrying amount. As part of the qualitative assessment, the Company considers relevant events and circumstances that affect the fair value or carrying amount of the Company. Such events and circumstances could include changes in economic conditions, industry and market conditions, cost factors, overall financial performance, and capital markets pricing. The Company places more weight on the events and circumstances that most affect the Company's fair value or carrying amount. These factors are all considered by management in reaching its conclusion about whether to perform step one of the impairment test. If the Company elects to bypass the qualitative assessment, or if a qualitative assessment indicates it is more-likely-than-not that the estimated carrying value exceeds its fair value, the Company proceeds to a quantitative approach. There were no impairment charges of the Company's goodwill for the nine three months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, respectively.

***Self-Insurance:*** The Company is self-insured with respect to its facilities in Columbus, Ohio; Gaffney, South Carolina; Winona, Minnesota; and Brownsville, Texas for medical, dental and vision claims and Columbus, Ohio for workers' compensation claims, all of which are subject to stop-loss insurance thresholds. The Company is also self-insured for dental and

vision with respect to its Cobourg, Canada location. The Company has recorded an estimated liability for self-insured medical, dental and vision claims incurred but not reported and worker's compensation claims incurred but not reported at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 of $966,000 $997,000 and $889,000, $988,000, respectively. Estimated liabilities for self-insurance are classified as current within accrued other liabilities on the Consolidated Balance Sheets.

***Post-Retirement Benefits:*** Management records an accrual for post-retirement costs associated with the health care plan sponsored by Core Molding Technologies. Should actual results differ from the assumptions used to determine the reserves, additional provisions may be required. In particular, increases in future healthcare costs above the assumptions could have an adverse effect on Core Molding Technologies' operations. The effect of a change in healthcare costs is described in Note 12, "Post Retirement Benefits", of the Notes to Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. Core Molding Technologies had a liability for post-retirement healthcare benefits based on actuarial computed estimates of $6,249,000 $3,008,000 at September 30, 2023 March 31, 2024 and $6,625,000 $3,116,000 at December 31, 2022 December 31, 2023.

**3. RECENT ACCOUNTING PRONOUNCEMENTS**

*Current Expected Credit Loss (CECL)*

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses," which changes the impairment model for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other instruments, entities will be required to use a new forward-looking "expected loss" model that will replace the previous "incurred loss" model and generally will result in the earlier recognition of allowances for losses. Subsequent to issuing ASU 2016-13, the FASB issued ASU 2018-19, "Codification Improvements to Topic 326, Financial Instruments - Credit Losses," for the purpose of clarifying certain aspects of ASU 2016-13. ASU 2018-19 has the same effective date and transition requirements as ASU 2016-13. In April 2019, the FASB issued ASU 2019-04, "Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments," which is effective with the adoption of ASU 2016-13. In May 2019, the FASB issued ASU 2019-05, "Financial Instruments - Credit Losses (Topic 326)," which is also effective with the adoption of ASU 2016-13. In November 2019, the FASB voted to delay the implementation date for certain companies, including those that qualify as a smaller reporting company under the U.S. Securities and Exchange Commission rules, until fiscal years beginning after December 15, 2022. We have adopted this ASU as of January 1, 2023 with no material impact on our consolidated financial position, results of operations, cash flows, or presentation thereof.

**4. 3. NET INCOME PER COMMON SHARE**

Net income per common share is computed based on the weighted average number of common shares outstanding during the period. Diluted net income per common share is computed similarly but includes the effect of the assumed exercise of dilutive stock appreciation rights and restricted stock under the treasury stock method.

On May 13, 2021, the Company's stockholders approved the 2021 Long Term Equity Incentive Plan (the "2021 Plan") that replaced the 2006 Long Term Equity Incentive Plan (the "2006 Plan") approved in May 2006 and amended in May 2015. The 2021 Plan provides restricted stock award recipients voting rights equivalent to the Company's common stock and accrual of dividends but not receipt of dividends until all conditions or restrictions related to such award have been satisfied. Accordingly, the restricted shares are not considered participating shares. The 2006 Plan provides restricted stock award recipients voting rights equivalent to the Company's common stock and accrual and receipt of dividends irrespective of any conditions or restrictions related to such award being satisfied. Accordingly, the restricted shares granted from the 2006 Plan are considered a participating security and the Company is required to apply the two-class method to consider the impact of the restricted shares on the calculation of basic and diluted earnings per share.

The computation of basic and diluted net income per common share (in thousands, except for per share data) is as follows:

| | **Three months ended September 30,** | | **Nine months ended September 30,** | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **Three months ended March 31,** | | | |
| | **Three months ended March 31,** | | | |
| | **Three months ended March 31,** | | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 2024 | | | |
| | | 2024 | | | |
| | | 2024 | | | |
| Net income | | | | | |
| Net income | | | | | |
| Net income | Net income | $ 4,354 | $ 1,319 | $ 18,142 | $ 7,371 |
| Less: net income allocated to participating securities | Less: net income allocated to participating securities | — | 13 | — | 122 |
| Net income available to common shareholders | | $ 4,354 | $ 1,306 | $ 18,142 | $ 7,249 |
| Less: net income allocated to participating securities | | | | | |
| Less: net income allocated to participating securities | | | | | |
| Net income available to common stockholders | | | | | |
| Net income available to common stockholders | | | | | |
| Net income available to common stockholders | | | | | |
| Weighted average common shares outstanding — basic | | | | | |
| Weighted average common shares outstanding — basic | | | | | |
| Weighted average common shares outstanding — basic | Weighted average common shares outstanding — basic | 8,623 | 8,414 | 8,515 | 8,337 |
| Effect of weighted average dilutive securities | Effect of weighted average dilutive securities | 219 | 4 | 201 | 1 |
| Effect of weighted average dilutive securities | | | | | |
| Effect of weighted average dilutive securities | | | | | |
| Weighted average common and potentially issuable common shares outstanding — diluted | | | | | |
| Weighted average common and potentially issuable common shares outstanding — diluted | | | | | |
| Weighted average common and potentially issuable common shares outstanding — diluted | Weighted average common and potentially issuable common shares outstanding — diluted | 8,842 | 8,418 | 8,716 | 8,338 |
| Basic net income per common share | Basic net income per common share | $ 0.50 | $ 0.16 | $ 2.13 | $ 0.87 |
| Basic net income per common share | | | | | |
| Basic net income per common share | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Diluted net income per common share | Diluted net income per common share | $ | 0.49 | $ | 0.16 | $ | 2.08 | $ | 0.87 |
| Diluted net income per common share | | | | | | | | | |
| Diluted net income per common share | | | | | | | | | |

As of September 30, 2023, no awards from the 2006 Plan were outstanding. Therefore, no calculation of basic and diluted net income per participating share for the three and nine months ended September 30, 2023 is presented. The computation of basic and diluted net income per participating share for the three and nine months ended September 30, 2022 is as follows (in thousands, except for per share data):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2022 | | 2022 | |
| Net income allocated to participating securities | $ | 13 | $ | 122 |
| Weighted average participating shares outstanding — basic | | 82 | | 140 |
| Effect of dilutive securities | | — | | — |
| Weighted average common and potentially issuable common shares outstanding — diluted | | 82 | | 140 |
| Basic net income per participating share | $ | 0.16 | $ | 0.87 |
| Diluted net income per participating share | $ | 0.16 | $ | 0.87 |

| | Three months ended March 31, | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| Net income allocated to participating securities | $ | — | $ | 54 |
| Weighted average participating shares outstanding — basic | | — | | 78,000 |
| Effect of dilutive securities | | — | | — |
| Weighted average common and potentially issuable common shares outstanding — diluted | | — | | 78,000 |
| Basic net income per participating share | $ | — | $ | 0.69 |
| Diluted net income per participating share | $ | — | $ | 0.69 |

**5. 4. MAJOR CUSTOMERS**

The Company had five six major customers during the nine three months ended September 30, 2023 March 31, 2024, BRP, Inc. ("BRP"), Navistar, Inc. ("Navistar"), PACCAR, Inc. ("PACCAR"), Universal Forest Products, Inc. ("UFP") and , Volvo Group North America, LLC ("Volvo") and Yamaha Motor Corporation ("Yamaha"). Major customers are defined as customers whose sales individually consist of more than ten percent of the Company's total sales during any annual or interim reporting period in the current year. presented. The loss of a significant portion of sales to these customers could have a material adverse effect on the Company.

The following table presents sales revenue for the above-mentioned customers for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands):

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | Three months ended March 31, | | | |
| | Three months ended March 31, | | | |
| | Three months ended March 31, | | | |
| | 2024 | | | |

| | | | | | |
|---|---|---|---|---|---|
| | | 2024 | | | |
| | | 2024 | | | |
| BRP product sales | | | | | |
| BRP product sales | | | | | |
| BRP product sales | BRP product sales | $ 9,169 | $ 12,203 | $ 33,770 | $ 38,908 |
| BRP tooling sales | BRP tooling sales | 3,502 | 1,119 | 4,240 | 1,456 |
| BRP tooling sales | | | | | |
| BRP tooling sales | | | | | |
| Total BRP sales | | | | | |
| Total BRP sales | | | | | |
| Total BRP sales | Total BRP sales | 12,671 | 13,322 | 38,010 | 40,364 |
| Navistar product sales | Navistar product sales | 18,612 | 16,536 | 55,625 | 44,667 |
| Navistar product sales | | | | | |
| Navistar product sales | | | | | |
| Navistar tooling sales | Navistar tooling sales | 426 | 285 | 612 | 2,555 |
| Navistar tooling sales | | | | | |
| Navistar tooling sales | | | | | |
| Total Navistar sales | | | | | |
| Total Navistar sales | | | | | |
| Total Navistar sales | Total Navistar sales | 19,038 | 16,821 | 56,237 | 47,222 |
| PACCAR product sales | PACCAR product sales | 9,238 | 10,066 | 28,160 | 27,971 |
| PACCAR product sales | | | | | |
| PACCAR product sales | | | | | |
| PACCAR tooling sales | PACCAR tooling sales | 59 | — | 789 | 185 |
| PACCAR tooling sales | | | | | |
| PACCAR tooling sales | | | | | |
| Total PACCAR sales | | | | | |
| Total PACCAR sales | | | | | |
| Total PACCAR sales | Total PACCAR sales | 9,297 | 10,066 | 28,949 | 28,156 |
| UFP product sales | UFP product sales | 4,000 | 5,099 | 23,931 | 29,642 |
| UFP product sales | | | | | |
| UFP product sales | | | | | |
| UFP tooling sales | UFP tooling sales | — | — | — | — |
| UFP tooling sales | | | | | |
| UFP tooling sales | | | | | |
| Total UFP sales | | | | | |
| Total UFP sales | | | | | |
| Total UFP sales | Total UFP sales | 4,000 | 5,099 | 23,931 | 29,642 |
| Volvo product sales | Volvo product sales | 13,102 | 15,468 | 44,073 | 38,268 |
| Volvo product sales | | | | | |
| Volvo product sales | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Volvo tooling sales | | | | | |
| Volvo tooling sales | | | | | |
| Volvo tooling sales | Volvo tooling sales | — | 128 | 799 | 215 |
| Total Volvo sales | Total Volvo sales | 13,102 | 15,596 | 44,872 | 38,483 |
| Total Volvo sales | | | | | |
| Total Volvo sales | | | | | |
| Yamaha product sales | | | | | |
| Yamaha product sales | | | | | |
| Yamaha product sales | | | | | |
| Yamaha tooling sales | | | | | |
| Yamaha tooling sales | | | | | |
| Yamaha tooling sales | | | | | |
| Total Yamaha sales | | | | | |
| Total Yamaha sales | | | | | |
| Total Yamaha sales | | | | | |
| Other product sales | | | | | |
| Other product sales | | | | | |
| Other product sales | Other product sales | 26,775 | 32,968 | 89,374 | 96,102 |
| Other tooling sales | Other tooling sales | 1,845 | 7,734 | 2,588 | 10,964 |
| Other tooling sales | | | | | |
| Other tooling sales | | | | | |
| Total other sales | | | | | |
| Total other sales | | | | | |
| Total other sales | Total other sales | 28,620 | 40,702 | 91,962 | 107,066 |
| Total product sales | Total product sales | 80,896 | 92,340 | 274,933 | 275,558 |
| Total product sales | | | | | |
| Total product sales | | | | | |
| Total tooling sales | | | | | |
| Total tooling sales | | | | | |
| Total tooling sales | Total tooling sales | 5,832 | 9,266 | 9,028 | 15,375 |
| Total sales | Total sales | $ 86,728 | $ 101,606 | $ 283,961 | $ 290,933 |
| Total sales | | | | | |
| Total sales | | | | | |

**6. 5. INVENTORY**

Inventories, net consisted of the following (in thousands):

| | | September 30, 2023 | December 31, 2022 |
|---|---|---|---|
| | March 31, 2024 | March 31, 2024 | December 31, 2023 |
| Raw materials | Raw materials | $ 15,888 | $ 16,523 |

| | | | |
|---|---|---|---|
| Work in process | Work in process | 2,217 | 2,929 |
| Finished goods | Finished goods | 6,883 | 4,419 |
| Total | Total | $ 24,988 | $ 23,871 |

Inventory quantities on-hand are regularly reviewed, and where necessary, provisions for excess and obsolete inventory are recorded based on historical and anticipated usage.

**7. 6. LEASES**

The Company has operating leases with fixed payment terms for certain buildings and warehouses. The Company's leases have remaining lease terms of less than one year to four years, some of which include options to extend the lease for five years. Operating leases are included in operating lease right-of-use ("ROU") assets, accrued other liabilities and other non-current liabilities in the Consolidated Balance Sheets. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease.

The Company used the applicable incremental borrowing rate at implementation date to measure lease liabilities and ROU assets. The incremental borrowing rate used by the Company was based on baseline rates and adjusted by the credit spreads commensurate with the Company’s secured borrowing rate. At each reporting period when there is a new lease initiated, the Company will utilize its incremental borrowing rate to perform lease classification tests on lease components and to measure ROU assets and lease liabilities.

The components of lease expense were as follows (in thousands):

| | | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|---|
| | | 2023 | 2022 | 2023 | 2022 |
| | | Three months ended March 31, | | | |
| | | Three months ended March 31, | | | |
| | | Three months ended March 31, | | | |
| | | 2024 | | | |
| | | 2024 | | | |
| | | 2024 | | | |
| Operating lease cost | | | | | |
| Operating lease cost | | | | | |
| Operating lease cost | Operating lease cost | $ 497 | $ 419 | $ 1,360 | $ 1,265 |
| Short-term lease cost | Short-term lease cost | 474 | 389 | 1,440 | 1,097 |
| Short-term lease cost | | | | | |
| Short-term lease cost | | | | | |
| Total net lease cost | Total net lease cost | $ 971 | $ 808 | $ 2,800 | $ 2,362 |
| Total net lease cost | | | | | |
| Total net lease cost | | | | | |

Other supplemental balance sheet information related to leases was as follows (in thousands):

| | | September 30, 2023 | December 31, 2022 | | |
|---|---|---|---|---|---|
| | March 31, 2024 | | | March 31, 2024 | December 31, 2023 |
| Operating lease right of use assets | Operating lease right of use assets | $ 4,261 | $ 5,114 | | |
| Current operating lease liabilities(A) | | | | | |
| Current operating lease liabilities(A) | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Current operating lease liabilities(A) | Current operating lease liabilities(A) | $ | 1,938 | $ | 1,626 |
| Noncurrent operating lease liabilities(B) | Noncurrent operating lease liabilities(B) | | 2,318 | | 3,516 |
| Total operating lease liabilities | Total operating lease liabilities | $ | 4,256 | $ | 5,142 |

(A)Current operating lease liabilities are included in accrued other liabilities in the Consolidated Balance Sheets.

(B)Noncurrent operating lease liabilities are included in other non-current liabilities in the Consolidated Balance Sheets.

The following table presents certain information related to lease terms and discount rates for leases:

| **Operating leases** | **September 30, 2023** | **December 31, 2022** |
|---|---|---|
| Weighted average remaining lease term (in years): | 2.6 | 3.6 |
| Weighted average discount rate: | 5.5 % | 4.1 % |

For the nine months ended September 30, 2023 and 2022, cash payments on amounts included in the measurement of lease liabilities were $1,590,000 and $1,265,000, respectively. During the nine months ended September 30, 2023, the Company terminated a lease for the secondary warehouse in Monterrey, Mexico. As a result, the Company wrote off approximately $1,548,000 and $1,660,000 of lease assets and lease liabilities, respectively, related to this lease. The Company then entered into a new lease related to the secondary warehouse in Monterrey, Mexico, which resulted in right of use assets obtained in exchange for new operating lease liabilities of $641,000. The Company also entered into a new lease related to a warehouse in Matamoros, Mexico, which resulted in additional right of use assets obtained in exchange for new operating lease liabilities of $1,172,000. During the nine months ended September 30, 2022, there were no right of use assets obtained in exchange for new operating lease liabilities.

Maturities of operating lease liabilities were as follows (in thousands):

| | | **September 30, 2023** | | **December 31, 2022** |
|---|---|---|---|---|
| 2023 (remainder of year) | $ | 529 | $ | 1,716 |
| 2024 | | 2,127 | | 1,722 |
| 2025 | | 1,121 | | 1,065 |
| 2026 | | 594 | | 979 |
| 2027 | | 189 | | 189 |
| Total lease payments | | 4,560 | | 5,671 |
| Less: imputed interest | | (304) | | (529) |
| Total lease obligations | | 4,256 | | 5,142 |
| Less: current obligations | | (1,938) | | (1,626) |
| Long-term lease obligations | $ | 2,318 | $ | 3,516 |

**8. 7. PROPERTY, PLANT & EQUIPMENT**

Property, plant and equipment, net consisted of the following for the periods specified (in thousands):

| | **September 30, 2023** | **December 31, 2022** |
|---|---|---|
| **March 31, 2024** | **March 31, 2024** | **December 31, 2023** |

| | | | |
|---|---|---|---|
| Property, plant and equipment | Property, plant and equipment | $ 207,437 | $ 200,525 |
| Accumulated depreciation | Accumulated depreciation | (125,649) | (117,258) |
| Property, plant and equipment — net | Property, plant and equipment — net | $ 81,788 | $ 83,267 |

Property, plant, and equipment are recorded at cost, unless obtained through acquisition, then assets are recorded at estimated fair value at the date of acquisition. Depreciation is provided on a straight-line method over the estimated useful lives of the assets. The carrying amount of long-lived assets is evaluated annually to determine if an adjustment to the depreciation period or to the unamortized balance is warranted. Depreciation expense for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 was $2,812,000 $2,873,000 and $2,683,000, respectively. Depreciation expense for the nine months ended September 30, 2023 and 2022 was $8,311,000 and $7,685,000, $2,978,000, respectively. Amounts invested in capital additions in progress were $4,285,000 $3,421,000 and $7,396,000 $2,264,000 at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, purchase commitments for capital expenditures in progress were $2,000,000 $2,939,000 and $2,812,000, $1,100,000, respectively.

### 9. 8. GOODWILL AND INTANGIBLES

Goodwill activity for the nine three months ended September 30, 2023 March 31, 2024 consisted of the following (in thousands):

| | | |
|---|---|---|
| Balance at December 31, 2022 December 31, 2023 | $ | 17,376 |
| Additions | | — |
| Impairment | | — |
| Balance at September 30, 2023 March 31, 2024 | $ | 17,376 |

Intangibles, net at September 30, 2023 March 31, 2024 were comprised of the following (in thousands):

| **Definite-lived Intangible Assets** | **Definite-lived Intangible Assets** | **Amortization Period** | **Gross Carrying Amount** | **Accumulated Amortization** | **Net Carrying Amount** | **Definite-lived Intangible Assets** | **Amortization Period** | **Gross Carrying Amount** | **Accumulated Amortization** | **Net Carrying Amount** |
|---|---|---|---|---|---|---|---|---|---|---|
| Trade name | Trade name | 25 Years | $ 250 | $ (85) | $ 165 | | | | | |
| Trademarks | Trademarks | 10 Years | 1,610 | (919) | 691 | | | | | |
| Non-competition agreement | Non-competition agreement | 5 Years | 1,810 | (1,810) | — | | | | | |
| Developed technology | Developed technology | 7 Years | 4,420 | (3,604) | 816 | | | | | |
| Customer relationships | Customer relationships | 10-12 Years | 9,330 | (4,588) | 4,742 | | | | | |
| Total | Total | | $ 17,420 | $ (11,006) | $ 6,414 | | | | | |

Intangibles, net at December 31, 2022 December 31, 2023 were comprised of the following (in thousands):

| **Definite-lived Intangible Assets** | **Definite-lived Intangible Assets** | **Amortization Period** | **Gross Carrying Amount** | **Accumulated Amortization** | **Net Carrying Amount** | **Definite-lived Intangible Assets** | **Amortization Period** | **Gross Carrying Amount** | **Accumulated Amortization** | **Net Carrying Amount** |
|---|---|---|---|---|---|---|---|---|---|---|
| Trade name | Trade name | 25 Years | $ 250 | $ (78) | $ 172 | | | | | |
| Trademarks | Trademarks | 10 Years | 1,610 | (798) | 812 | | | | | |
| Non-competition agreement | Non-competition agreement | 5 Years | 1,810 | (1,795) | 15 | | | | | |
| Developed technology | Developed technology | 7 Years | 4,420 | (3,131) | 1,289 | | | | | |
| Customer relationships | Customer relationships | 10-12 Years | 9,330 | (3,999) | 5,331 | | | | | |

| | | | | |
|---|---|---|---|---|
| Total | Total | $17,420 | $ (9,801) | $ 7,619 |

The aggregate intangible asset amortization expense was $396,000 $400,000 and $487,000 $412,000 for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. The aggregate intangible amortization expense was $1,205,000 and $1,461,000 for the nine months ended September 30, 2023 and 2022, respectively.

**10. 9. POST-RETIREMENT BENEFITS**

The components of expense for the Company's post-retirement benefit plans are as follows (in thousands):

| | | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|---|
| | | **2023** | **2022** | **2023** | **2022** |
| | | **Three months ended March 31,** | | | |
| | | **Three months ended March 31,** | | | |
| | | **Three months ended March 31,** | | | |
| | | **2024** | | | |
| | | **2024** | | | |
| | | **2024** | | | |
| **Pension expense:** | | | | | |
| **Pension expense:** | | | | | |
| **Pension expense:** | **Pension expense:** | | | | |
| Multi-employer plan | Multi-employer plan | $ 221 | $ 221 | $ 734 | $ 682 |
| Multi-employer plan | | | | | |
| Multi-employer plan | | | | | |
| Defined contribution plan | | | | | |
| Defined contribution plan | | | | | |
| Defined contribution plan | Defined contribution plan | 471 | 371 | 1,440 | 1,122 |
| Total pension expense | Total pension expense | 692 | 592 | 2,174 | 1,804 |
| Total pension expense | | | | | |
| Total pension expense | | | | | |
| **Health and life insurance:** | | | | | |
| **Health and life insurance:** | | | | | |
| **Health and life insurance:** | **Health and life insurance:** | | | | |
| Interest cost | Interest cost | 66 | 50 | 197 | 149 |
| Interest cost | | | | | |
| Interest cost | | | | | |
| Amortization of prior service credits | Amortization of prior service credits | (124) | (124) | (372) | (372) |
| Amortization of net actuarial loss | | 6 | 43 | 18 | 130 |
| Amortization of prior service credits | | | | | |
| Amortization of prior service credits | | | | | |
| Amortization of net loss | | | | | |
| Amortization of net loss | | | | | |
| Amortization of net loss | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Net periodic benefit credit | | | | | |
| Net periodic benefit credit | | | | | |
| Net periodic benefit credit | Net periodic benefit credit | (52) | (31) | (157) | (93) |
| Total post-retirement benefits expense | Total post-retirement benefits expense | $ 640 | $ 561 | $ 2,017 | $ 1,711 |
| Total post-retirement benefits expense | | | | | |
| Total post-retirement benefits expense | | | | | |

The Company made payments of $2,204,000 $550,000 to pension plans and $563,000 $131,000 for post-retirement healthcare and life insurance during the nine three months ended September 30, 2023 March 31, 2024. For the remainder of 2023, 2024, the Company expects to make approximately $779,000$1,803,000 of pension plan payments, of which $259,000 $920,000 was accrued at September 30, 2023 March 31, 2024. The Company also expects to make approximately $871,000 $167,000 of post-retirement healthcare and life insurance payments for the remainder of 2023, 2024, all of which were accrued at September 30, 2023 March 31, 2024.

**11. 10. DEBT**

Debt consists of the following (in thousands):

| | | | | | | |
|---|---|---|---|---|---|---|
| **March 31, 2024** | | | | | **March 31, 2024** | **December 31, 2023** |
| | | **September 30, 2023** | **December 31, 2022** | | | |
| Huntington term loans payable | | | | | | |
| Huntington term loans payable | | | | | | |
| Huntington term loans payable | Huntington term loans payable | $ 23,542 | $ 24,479 | | | |
| Leaf Capital term loan payable | Leaf Capital term loan payable | 61 | 85 | | | |
| Total | Total | 23,603 | 24,564 | Total | 22,956 | 23,278 |
| Less deferred loan costs | Less deferred loan costs | (311) | (370) | Less deferred loan costs | (271) | (291) |
| Less current portion | Less current portion | (1,310) | (1,208) | Less current portion | (1,624) | (1,468) |
| Long-term debt | Long-term debt | $ 21,982 | $ 22,986 | | | |

*Huntington Credit Agreement*

On July 22, 2022, the Company entered into a credit agreement (the “Huntington Credit Agreement”) with The Huntington National Bank (“Huntington”), as the sole lender, administrative agent, lead arranger and book runner, and the lenders from time to time thereto. Pursuant to the terms of the Huntington Credit Agreement, Huntington made available to the Company secured loans (the “Huntington Loans”) in the maximum aggregate principal amount of $75,000,000, ($38,689,000 of which was advanced to the Company on July 22, 2022), comprised of three $25,000,000 commitments: a term loan commitment, a CapEx loan commitment and a revolving loan commitment.

The initial proceeds from the Huntington Credit Agreement were used in part to (i) repay all existing outstanding indebtedness of the Company owing to Wells Fargo Bank, National Association, and FGI Equipment Finance LLC (“FGI”) and (ii) pay certain fees and expenses associated with entering the Huntington Credit Agreement.

At the option of the Company, the Huntington Loans shall be comprised of Alternative Base Rate (ABR) Loans or Secure Overnight Financing Rate (SOFR) Loans.

ABR Loans bear interest at a per annum rate equal to ABR plus a margin of 280 to 330 basis points determined based on the Company's leverage ratio. ABR is the greater greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Rate in effect on such day plus 0.50% per annum and (c) Daily Simple SOFR for such day (taking into account any floor set forth in the definition of "Daily Simple SOFR") plus 1.00% per annum; provided, that if the ABR shall be less than 0.00%, then ABR shall be deemed to be 0.00%.

SOFR Loans bear interest at a per annum rate equal to Daily Simple SOFR plus a margin of 180 to 230 basis points determined based on the Company's leverage ratio. Daily Simple SOFR means, for any day (a "SOFR Rate Day"), a rate per annum equal to the greater of (a) SOFR for the day (such day, the "SOFR Determination Date") that is five (5) U.S. Government Securities

Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website, and (b) 0.00%.

The Company's obligations under the Huntington Credit Agreement are secured by all of the U.S. and Canadian assets of the Company, including all of its equity interests in each of the Company's U.S. and Canadian subsidiaries and 65% of the Company's equity interest in its Mexican subsidiaries, and are unconditionally guaranteed by certain subsidiaries of the Company.

The Huntington Credit Agreement contains certain customary representations and warranties, conditions, affirmative and negative covenants and events of default. The Company is in compliance with such covenants as of September 30, 2023 March 31, 2024.

Voluntary prepayments of amounts outstanding under the Huntington Loans are permitted at any time without premium or penalty.

The Company incurred debt origination fees of $402,000 related to the Huntington Credit Agreement, which are is being amortized over the life of the agreement.

*Huntington Capex Loan*
Pursuant to the terms of the Huntington Credit Agreement, Huntington made available to the Company secured Capex loan (the "Huntington Capex Loan") in the maximum aggregate principal amount of $25,000,000. Proceeds of the Huntington Capex Loan will be used to finance the ongoing capital expenditure needs of the Company.

Any borrowings from the Huntington Capex Loan will be converted to new term loans annually each February, beginning February 2025, and will have monthly principal repayments based on a sixty-month amortization period with all amounts outstanding on the Huntington Capex Loan being fully due on July 22, 2027.

*Huntington Revolving Loan*
Pursuant to the terms of the Huntington Credit Agreement, Huntington made available to the Company a revolving loan commitment (the "Huntington Revolving Loan") of $25,000,000. The Company has $25,000,000 of available revolving loans of which none was outstanding as of March 31, 2024 and December 31, 2023, respectively.

The Huntington Credit Agreement makes available to the Company a revolving commitment in the maximum amount of $25,000,000 at the Company's option at any time during the five-year period following the closing. The revolving loan commitment terminates, and all outstanding borrowings thereunder must be repaid on July 22, 2027.

The interest rate for the Huntington Revolving Loan was 7.11% and 7.11% as of March 31, 2024 and December 31, 2023, respectively.

*Huntington Term Loan*
Pursuant to the terms of the Huntington Credit Agreement, Huntington made available to the Company a Term Loan commitment (the "Huntington Term Loan") of $25,000,000 ($25,000,000 of which was advanced to the Company on July 22, 2022). The Huntington Term Loan is to be repaid in monthly installments beginning August 2022 of $104,000 per month for the first 24 months, $156,000 per month for the next 24 months, $208,000 for the next 12 months and the remaining balance to be paid on July 22, 2027. The interest rate for the Huntington Term Loan was 7.11% and 7.11% as of March 31, 2024 and December 31, 2023, respectively.

*Interest Rate Swap Agreement*
The Company entered into an interest rate swap agreement that became effective July 22, 2022 and continues through July 2027, which was designated designed as a cash flow hedge for $25,000,000 of the Huntington Term Loan. Under this agreement, the Company will pay a fixed rate of 2.95% to the swap counterparty in exchange for the Term Loans daily variable SOFR. As a result the interest rate paid on the Huntington Term Loan was 4.75% as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. The fair value of the interest rate swap was an asset of $1,131,000 $797,000 and $765,000 $524,000 at September 30, 2023 March 31, 2024 and December 31, 2022, respectively.

*Huntington Capex Loan*
Pursuant to the terms of the Huntington Credit Agreement, Huntington made available to the Company secured Capex loan (the "Huntington Capex Loan") in the maximum aggregate principal amount of $25,000,000 (none of which was advanced to the Company on July 22, 2022 and through September 30, 2023). Proceeds of the Huntington Capex Loan will be used to finance the ongoing capital expenditure needs of the Company.

Any borrowings from the Huntington Capex Loan will be converted to new term loans annually each February, beginning February 2025, and will have monthly principal repayments based on a sixty-month amortization period with all amounts outstanding on the Huntington Capex Loan being fully due on July 22, 2027.

*Huntington Revolving Loan*
Pursuant to the terms of the Huntington Credit Agreement, Huntington makes available to the Company a revolving loan commitment (the “Huntington Revolving Loan”) of $25,000,000 ($13,689,000 of which was advanced to the Company on July 22, 2022) at the Company's option at any time during the five-year period following the closing. The Company has $25,000,000 of available revolving loans of which none was outstanding as of September 30, 2023. As of December 31, 2022, $1,864,000 was outstanding.

The revolving loan commitment terminates, and all outstanding borrowings thereunder must be repaid on July 22, 2027.

The interest rate for the Huntington Revolving Loan was 7.11% and 6.12% as of September 30, 2023 and December 31, 2022 December 31, 2023, respectively.

*Leaf Capital Funding*
On April 24, 2020 the Company entered into a finance agreement with Leaf Capital Funding of $175,000 for equipment. The parties agreed to a fixed interest rate of 5.50% and a term of 60 months.

12.

**11. INCOME TAXES**

The Company evaluates the balance of deferred tax assets that will be realized based on the premise that the Company is more-likely-than-not to realize deferred tax benefits through the generation of future taxable income. Management makes assumptions, judgments, and estimates to determine the deferred tax assets and liabilities. The Company evaluates provisions and deferred tax assets quarterly to determine if adjustments to our valuation allowance are required based on the consideration of all available evidence.

At September 30, 2023 March 31, 2024, the Company had a net deferred tax assets asset of $1,595,000 related to tax positions in Canada, Mexico and deferred tax liabilities of $1,182,000 and $43,000 related to tax positions in the United States. The States and Canada. Deferred tax assets are included in "Other non-current assets" on the Consolidated Balance Sheets and deferred tax assets attributable to United States local positions include liabilities are included in "Other non-current liabilities" on the Consolidated Balance Sheets. As of March 31, 2024, the Company had a valuation allowance of $1,530,000, against the deferred tax asset related to local tax positions in the Unites States, due to cumulative losses over the last three years and uncertainty related to the Company's ability to realize the deferred assets. The Company believes that the deferred tax assets associated with the Canadian, Mexican, and federal United States tax jurisdictions are more-likely-than-not to be realizable based on estimates of future taxable income.

Income tax expense for the nine three months ended September 30, 2023 March 31, 2024 is estimated to be $5,198,000, $1,029,000, approximately 22.3% 21.5% of income before income taxes, and includes tax expense for the United States, Canadian and Mexican tax jurisdictions. The Company recognized a tax benefit of $535,000 related to the difference in grant price and vest price for stock awards that vested during the nine months ended September 30, 2023. taxes. Income tax expense for the nine three months ended September 30, 2022 March 31, 2023 was estimated to be $4,658,000, $1,919,000, approximately 38.7% 24.7% of income before income taxes and includes tax expense in the Canadian and Mexican tax jurisdictions. U.S. operations incurred a net loss for the nine months ended September 30, 2022 and the net loss tax benefit was offset with a full valuation reserve. taxes.

The Company files income tax returns in the United States, Mexico, Canada and various state and local jurisdictions. The Company is subject to federal income tax examinations for tax years 2014 through 2017 but the scope of examination is limited to adjustments resulting from Net Operating Loss carry back claims from the 2019, 2020, and 2021 2020 tax years. The Company is subject to federal income tax examinations for years 2019 2020 through 2021 2023 with unlimited scope. The Company is not subject to state examinations for years before 2018. 2020. The Company is not subject to Mexican income tax examinations by Mexican authorities for the years before 2017 2018 and is not subject to Canadian income tax examinations by Canadian authorities for the years before 2018. 2019.

**13. 12. STOCK BASED COMPENSATION**

On May 13, 2021, The Company's stockholders approved the 2021 Long Term Equity Incentive Plan (the “2021 Plan”) that replaced the 2006 Long Term Equity Incentive Plan (the “2006 Plan”) approved in May 2006 and amended in May 2015. The 2021 Plan allows for grants to employees, officers, non-employee directors, consultants, independent contractors and advisors of non-qualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, and other stock-based awards (“stock awards”) up to an aggregate of 295,797 152,501 awards. Awards can be granted under the 2021 Plan through the earlier of May 13, 2031, or the date the maximum number of available awards under the 2021 Plan have been granted. No new awards may be granted from the 2006 Plan.

Awards under the 2021 Plan vest over one to three years or and shares previously awarded and currently unvested under the 2006 Plan vest over three years. Shares granted under both the 2006 and 2021 Plans vest immediately upon the date of a participant’s death, disability or change in control. No shares are outstanding under the 2006 Plan.

The Company follows the provisions of FASB ASC 718 requiring that compensation cost relating to share-based payment transactions be recognized in the financial statements. The cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employee's requisite service period (generally the vesting period of the equity award).

During the nine months ended September 30, 2023, 125,701 shares of the Company's common stock were withheld from employees to satisfy income tax withholding obligations in connection with the vesting and exercising of stock awards. During the nine months ended September 30, 2022, 48,286 shares were withheld from employees to satisfy income tax withholding obligations in connection with the vesting and exercising of stock awards.

**Restricted Stock**

The Company grants shares of its common stock to certain directors, officers, key managers and employees in the form of unvested stock and units (“Restricted Stock”). These awards are measured at the fair value of the Company's common stock on the date of issuance and recognized ratably as compensation expense over the applicable vesting period, which is typically three years. The Company adjusts compensation expense for actual forfeitures, as they occur.

The following summarizes the status of Restricted Stock and changes during the nine three months ended September 30, 2023 March 31, 2024:

| | | Number of Shares | Weighted Average Grant Date Fair Value |
|---|---|---|---|
| Unvested balance at December 31, 2022 | | 502,747 | $ 10.46 |
| | Number of Shares | Number of Shares | Weighted Average Grant Date Fair Value |
| Unvested balance at December 31, 2023 | | | |
| Granted | Granted | 179,580 | 15.98 |
| Vested | Vested | (262,788) | 9.66 |
| Forfeited | Forfeited | (45,956) | 12.46 |
| Unvested balance at September 30, 2023 | | 373,583 | $ 13.33 |
| Unvested balance at March 31, 2024 | | | |

At September 30, 2023 March 31, 2024 and 2022, 2023, there was $3,676,000 $4,113,000 and $4,199,000, $5,702,000, respectively, of total unrecognized compensation expense, related to Restricted Stock grants. The unrecognized compensation expense at September 30, 2023 March 31, 2024 is expected to be recognized over the weighted-average period of 1.8 2.3 years. Total compensation cost related to Restricted Stock grants for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 was $721,000 $711,000 and $623,000, respectively. Total compensation cost related to Restricted Stock grants for the nine months ended September 30, 2023 and 2022 was $2,187,000 and $1,660,000, $725,000, respectively, all of which was recorded to selling, general and administrative expense.

During the three months ended March 31, 2024 , employees withheld 17,773 shares of the Company's common stock to satisfy income tax withholding obligations in connection with the vesting of restricted awards, and in March 31, 2023 no shares of the Company's common stock was withheld. During the three months ended March 31, 2023, employees withheld 1,318 shares of common stock to satisfy income tax withholding obligations in connection with the exercise of stock appreciation rights.

**Performance Restricted Stock Awards**

The Company grants shares of its common stock to certain officers and key managers in the form of shares of performance-based restricted stock ("Performance Restricted Stock Awards"). These awards are measured at the fair value of the Company's common stock on the date of issuance and recognized ratably as compensation expense over the applicable vesting period to the extent that the performance measures have been satisfied as of the last day of the performance period of the award. The total amount payable as of the award's vesting date is determined by the three year average Operational Income and Return on Capital Employed performance measure achievement as defined in the applicable award agreement. achievement. The Company adjusts compensation expense for actual forfeitures as they occur, and for estimated performance measure achievement.

The following summarizes the status of Performance Restricted Stock Awards and changes during the nine three months ended September 30, 2023 March 31, 2024:

| | Number of Shares | Weighted Average Grant Date Fair Value |
|---|---|---|

| | | | |
|---|---|---|---|
| Unvested balance at December 31, 2022 | — | $ | — |

| | Number of Shares | Number of Shares | Weighted Average Grant Date Fair Value |
|---|---|---|---|
| Unvested balance at December 31, 2023 | | | |
| Granted | Granted | 13,350 | 15.98 |
| Vested | Vested | — | — |
| Forfeited | Forfeited | (1,613) | 15.98 |
| Unvested balance at September 30, 2023 | | 11,737 | $ 15.98 |
| Unvested balance at March 31, 2024 | | | |

At September 30, 2023, March 31, 2024 and 2023, there was $151,000 $651,000 and $207,000 of total unrecognized compensation expense related to Performance Restricted Stock Awards. As of September 30, 2022, there was no unrecognized compensation expense related to Performance Restricted Stock Awards. The unrecognized compensation expense at September 30, 2023 March 31, 2024 is expected to be recognized over the weighted-average period of 2.4 2.6 years. Total compensation cost related to Performance Restricted Stock Awards for the three and nine and months ended September 30, 2023 March 31, 2024 and March 31, 2023 was $16,000 $28,000 and $36,000, respectively, 6,000, all of which was recorded to selling, general and administrative expense.

Stock Appreciation Rights

As part of the Company's 2019 annual grant, Stock Appreciation Rights ("SARs") were granted with a grant price of $10. These awards have a contractual term of five years and vest ratably over a period of three years or immediately vest if the recipient is over 65 years of age. These awards are valued using the Black-Scholes option pricing model, and are recognized ratably as compensation expense over three years.

A summary of the Company's stock appreciation rights activity for the nine months ended September 30, 2023 is as follows:

| | Number of Shares | Weighted Average Exercise Price |
|---|---|---|
| Outstanding as of December 31, 2022 | 177,016 | $ 10.00 |
| Granted | — | — |
| Exercised | (177,016) | 10.00 |
| Forfeited | — | — |
| Outstanding at end of the period ended September 30, 2023 | — | — |
| Exercisable at end of the period ended September 30, 2023 | — | — |

**The weighted average grant date fair value of exercised SARs was $2.57. The total intrinsic value of SARs exercised as of September 30, 2023 was $2,286,000. There was no unrecognized compensation expense, related to SARs at September 30, 2023. For the nine months ended September 30, 2023, there was no compensation cost. Total compensation cost related to SARs for the nine months ended September 30, 2022 was $45,000, all of which was recorded to selling, general and administrative expense.**

**14. 13. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants as of the measurement date. Fair value is measured using the fair value hierarchy and related valuation methodologies as defined in the authoritative literature. This hierarchical valuation methodology provides a fair value framework that describes the categorization of assets and liabilities in three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment.

The three levels are defined as follows:

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

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are observable in active markets.

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

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, debt, interest rate swaps and foreign currency derivatives. Cash and cash equivalents, accounts receivable and accounts payable carrying values as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 approximate fair value due to the short-term maturities of these financial instruments. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the carrying amounts of the Huntington Term Loan and Huntington Revolving Loan approximated fair value due to the short-term nature of the underlying variable rate SOFR agreements. used to determine interest charged on the loans. The Company had Level 2 fair value measurements at September 30, 2023 March 31, 2024 relating to the Company's interest rate swaps and foreign currency derivatives.

**Derivative and hedging activities**

Derivatives are formally assessed both at inception and at least quarterly thereafter, to ensure that derivatives used in hedging transactions are highly effective in offsetting changes in cash flows of the hedged item. If it is determined that a derivative ceases to be a highly effective hedge, or if the anticipated transaction is no longer probable of occurring, hedge accounting is discontinued, and any future mark-to-market adjustments are recognized in earnings. The effective portion of gain or loss is reported in other comprehensive income and the ineffective portion is reported in earnings. The impacts of these contracts were largely offset by gains and losses resulting from the impact of changes in exchange rates on transactions denominated in the foreign currency. As of September 30, 2023, the Company had no ineffective portion related to the cash flow hedges.

*Foreign Currency Derivatives*

The Company conducted business in foreign countries and paid certain expenses in foreign currencies; therefore, the Company was exposed to foreign currency exchange risk between the U.S. Dollar and foreign currencies, which could impact the Company's operating income and cash flows. To mitigate risk associated with foreign currency exchange, the Company entered into forward contracts to exchange a fixed amount of U.S. Dollars for a fixed amount of foreign currency, which will be used to fund future foreign currency cash flows. At inception, all forward contracts are formally documented as cash flow hedges and are measured at fair value each reporting period.

Derivatives are formally assessed both at inception and at least quarterly thereafter, to ensure that derivatives used in hedging transactions are highly effective in offsetting changes in cash flows of the hedged item. If it is determined that a derivative ceases to be a highly effective hedge, or if the anticipated transaction is no longer probable of occurring, hedge accounting is discontinued, and any future mark-to-market adjustments are recognized in earnings. The effective portion of gain or loss is reported in other comprehensive income and the ineffective portion is reported in earnings. The impacts of these contracts were largely offset by gains and losses resulting from the impact of changes in exchange rates on transactions denominated in the foreign currency. As of March 31, 2024, the Company had no ineffective portion related to the cash flow hedges. The notional contract value of foreign currency derivatives was $20,222,000 $5,063,000 and $13,851,000 $28,592,000 as of September 30, 2023 March 31, 2024 and December 31, 2022, 2023, respectively.

*Interest Rate Swap*

The Company entered into an interest rate swap contract to fix the interest rate on an initial aggregate amount of $25,000,000 thereby reducing exposure to interest rate changes. The interest rate swap pays a fixed rate of 2.95% to the swap counterparty in exchange for daily SOFR. At inception, all interest rate swaps were formally documented as cash flow hedges and are measured at fair value each reporting period. See Note 11, 10, "Debt", for additional information. The notional contract value of the interest rate swap was $23,542,000 $22,917,000 and $24,479,000 $24,167,000 as of September 30, 2023 March 31, 2024 and December 31, 2022, 2023, respectively.

**Financial statement impacts**

The following table detail amounts related to our derivatives designated as hedging instruments (in thousands):

| | Fair Value of Derivative Instruments September 30, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Asset Derivatives | | | Liability Derivatives | | | |
| | Balance Sheet Location | Fair Value | | Balance Sheet Location | Fair Value | | |
| Foreign exchange contracts | Prepaid expenses other current assets | $ | 190 | Accrued other liabilities | $ | 67 | |
| | Other non-current assets | $ | — | Other non-current liabilities | $ | — | |
| Interest rate swaps | Prepaid expenses other current assets | $ | 536 | Accrued other liabilities | $ | — | |
| | Other non-current assets | $ | 595 | Other non-current liabilities | $ | — | |

| | Fair Value of Derivative Instruments March 31, 2024 | | | |
|---|---|---|---|---|
| | Asset Derivatives | | Liability Derivatives | |
| | Balance Sheet Location | Fair Value | Balance Sheet Location | Fair Value |
| Foreign exchange contracts | Prepaid expenses other current assets | $ 133 | Accrued other liabilities | $ — |
| | Other non-current assets | $ — | Other non-current liabilities | $ — |
| Interest rate swaps | Prepaid expenses other current assets | $ 542 | Accrued other liabilities | $ — |
| | Other non-current assets | $ 255 | Other non-current liabilities | $ — |

| | Fair Value of Derivative Instruments December 31, 2022 | | | |
|---|---|---|---|---|
| | Asset Derivatives | | Liability Derivatives | |
| | Balance Sheet Location | Fair Value | Balance Sheet Location | Fair Value |
| Foreign exchange contracts | Prepaid expenses other current assets | $ 72 | Accrued other liabilities | $ 157 |
| | Other non-current assets | $ — | Other non-current liabilities | $ — |
| Interest rate swaps | Prepaid expenses other current assets | $ 280 | Accrued other liabilities | $ — |
| | Other non-current assets | $ 485 | Other non-current liabilities | $ — |

| | Fair Value of Derivative Instruments December 31, 2023 | | | |
|---|---|---|---|---|
| | Asset Derivatives | | Liability Derivatives | |
| | Balance Sheet Location | Fair Value | Balance Sheet Location | Fair Value |
| Foreign exchange contracts | Prepaid expenses other current assets | $ 620 | Accrued other liabilities | $ — |
| | Other non-current assets | $ — | Other non-current liabilities | $ — |
| Interest rate swaps | Prepaid expenses other current assets | $ 419 | Accrued other liabilities | $ — |
| | Other non-current assets | $ 105 | Other non-current liabilities | $ — |

The following tables summarize the amount of unrealized and realized gain (loss) recognized in Accumulated Other Comprehensive Income ("AOCI") for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands):

| Derivatives in subtopic 815-20 Cash Flow Hedging Relationship: | Amount of Unrealized Gain (Loss) Recognized in Accumulated Other Comprehensive Income on Derivative | | Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income(A) | Amount of Realized Gain (Loss) Reclassified from Accumulated Other Comprehensive Income | |
|---|---|---|---|---|---|
| | 2023 | 2022 | | 2023 | 2022 |
| Foreign exchange contracts | $ 88 | $ (626) | Cost of goods sold | $ 897 | $ — |
| | | | Selling, general and administrative expense | $ 89 | $ — |
| Interest rate swaps | $ 334 | $ 767 | Interest expense | $ 125 | $ (38) |

The following tables summarize the amount of unrealized and realized gain (loss) recognized in AOCI for the nine months ended September 30, 2023 and 2022 (in thousands):

| Derivatives in subtopic 815-20 Cash Flow Hedging Relationship: | Derivatives in subtopic 815-20 Cash Flow Hedging Relationship: | Amount of Unrealized Gain (Loss) Recognized in Accumulated Other Comprehensive Income on Derivative | | Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income(A) | Amount of Realized Gain (Loss) Reclassified from Accumulated Other Comprehensive Income | | Derivatives in subtopic 815-20 Cash Flow Hedging Relationship: | Amount of Unrealized Gain (Loss) Recognized in Accumulated Other Comprehensive Income on Derivative | Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Income(A) | Amount of Realized Gain (Loss) Reclassified from Accumulated Other Comprehensive Income |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2023 | 2022 | | 2023 | 2022 | | | | |
| | | 2024 | | | | | | 2024 | 2023 | 2024 2023 |
| Foreign exchange contracts | Foreign exchange contracts | $ 2,073 | $(626) | Cost of goods sold | $ 1,697 | $ — | | | | |
| | | | | Selling, general and administrative expense | $ 168 | $ — | | | | |
| | | | | Selling, general and administrative expense | | | | | | |
| Interest rate swaps | Interest rate swaps | $ 707 | $ 767 | Interest expense | $ 341 | $ (38) | | | | |

(A) The foreign currency derivative activity reclassified from AOCI Accumulated Other Comprehensive Income is allocated to cost of goods sold and selling, general and administrative expense based on the percentage of foreign currency spend.

15.

**14. ACCUMULATED OTHER COMPREHENSIVE INCOME**

The following table presents changes in AOCI, Accumulated Other Comprehensive Income, net of tax, for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 (in thousands):

| 2022: | Derivative Hedging Activities | Post Retirement Benefit Plan Items(A) | Accumulated Other Comprehensive Income (Loss) |
|---|---|---|---|
| 2022: | | | |
| **Balance at December 31, 2021** | $ — | $ 1,075 | $ 1,075 |

| 2023: | 2023: | Derivative Hedging Activities | Post Retirement Benefit Plan Items(A) | Accumulated Other Comprehensive Income (Loss) |
|---|---|---|---|---|
| 2023: | | | | |
| **Balance at December 31, 2022** | | | | |
| **Balance at December 31, 2022** | | | | |
| **Balance at December 31, 2022** | | | | |
| Other comprehensive income before reclassifications | | | | |
| Other comprehensive income before reclassifications | | | | |

| | | | | |
|---|---|---|---|---|
| Other comprehensive income before reclassifications | | | | |
| Amounts reclassified from accumulated other comprehensive income | | | | |
| Income tax benefit | | | | |
| **Balance at March 31, 2023** | | | | |
| **2024:** | | | | |
| **2024:** | | | | |
| **2024:** | | | | |
| **Balance at December 31, 2023** | | | | |
| **Balance at December 31, 2023** | | | | |
| **Balance at December 31, 2023** | | | | |
| Other comprehensive income before reclassifications | Other comprehensive income before reclassifications | 141 | — | 141 |
| Amounts reclassified from accumulated other comprehensive income | Amounts reclassified from accumulated other comprehensive income | 38 | (242) | (204) |
| Income tax benefit (expense) | Income tax benefit (expense) | (7) | 51 | 44 |
| **Balance at September 30, 2022** | | $ 172 | $ 884 | $ 1,056 |
| **2023:** | | | | |
| **Balance at December 31, 2022** | | $ 546 | $ 2,507 | $ 3,053 |
| Other comprehensive income before reclassifications | | 2,780 | — | 2,780 |
| Amounts reclassified from accumulated other comprehensive income | | (2,206) | (354) | (2,560) |
| Income tax benefit (expense) | | (126) | 75 | (51) |
| **Balance at September 30, 2023** | | $ 994 | $ 2,228 | $ 3,222 |
| **Balance at March 31, 2024** | | | | |

(A)The effect of post-retirement benefit items reclassified from AOCI Accumulated Other Comprehensive Income is included in other income and expense on the Consolidated Statements of Operations. These AOCI Accumulated Other Comprehensive Income components are included in the computation of net periodic benefit cost (see Note 10, 9, "Post-Retirement Benefits" for additional details). The tax effect of post-retirement benefit items reclassified from AOCI Accumulated Other Comprehensive Income is included in income tax expense on the Consolidated Statements of Operations.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

*This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements within the meaning of the federal securities laws, which are subject to the "safe harbor" created by Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange "Exhcange Act"). As a general matter, forward-looking statements are those focused upon future plans, objectives or performance as opposed to historical items and include statements of anticipated events or trends and expectations and beliefs relating to matters not historical in nature. Such forward-looking statements involve known and unknown risks and are subject to uncertainties and factors relating to Core Molding Technologies' operations and business environment, all of which are difficult to predict and many of which are beyond Core Molding Technologies' control. Words such as "may," "will," "could," "would," "should," "anticipate," "predict," "potential," "continue," "expect," "intend," "plans," "projects," "believes," "estimates," "encouraged," "confident" and similar expressions are used to identify these forward-looking statements. These uncertainties and factors could cause Core Molding Technologies' actual results to differ materially from those matters expressed in or implied by such forward-looking statements.*

*Core Molding Technologies believes that the following factors, among others, could affect its future performance and cause actual results to differ materially from those expressed or implied by forward-looking statements made in this Quarterly Annual Report on Form 10-Q:*

- *dependence upon certain major customers as the primary source of Core Molding Technologies' sales revenues and the potential loss of any major customers due to the completion of existing production programs with those customers or otherwise;*
- *business conditions in the plastics, transportation, power sports, utilities and commercial product industries (including changes in demand for truck production);*
- *federal and state regulations (including engine emission regulations);*
- *general macroeconomic conditions, including uncertainties surrounding volatility in financial markets, and the availability and price increases of capital and credit; raw materials;*
- *general economic, social, regulatory (including foreign trade policy) and political environments in the countries in which Core Molding Technologies operates;*
- *the adverse impact of coronavirus (COVID-19) global pandemic or other pandemics in the future on our business, results of operations, financial position, liquidity or cash flow, as well as impact on customers and supply chains;*
- *safety and security conditions in Mexico;*
- *fluctuations in foreign currency exchange rates;*
- *dependence upon certain major customers as the primary source of Core Molding Technologies' sales revenues;*
- *efforts of Core Molding Technologies to expand its customer base; the ability to develop new and innovative products and to diversify markets, materials and processes and increase operational enhancements;*
- *ability to accurately quote and execute manufacturing processes for new business; the actions of competitors, customers, and suppliers;*
- *failure of Core Molding Technologies' suppliers to perform their obligations;*
- *the availability of raw materials;*
- *inflationary pressures; new technologies; regulatory matters;*
- *labor relations and labor availability as well as possible work stoppages or labor disruptions at one or more of our union locations or one of our customer or supplier locations;*
- *the loss or inability of Core Molding Technologies to attract and retain key personnel;*
- *the ability to successfully identify, evaluate and manage potential acquisitions and to benefit from and properly integrate any completed acquisitions;*
- *federal, state and local environmental laws and regulations; regulations (including engine emission regulations);*

- *the availability of sufficient capital; the ability of Core Molding Technologies to provide on-time delivery to customers, which may require additional shipping expenses to ensure on-time delivery or otherwise result in late fees and other customer charges; risk of cancellation or rescheduling of orders;*

- *management's decision to pursue new products or businesses which involve additional costs, risks or capital expenditures;*

- *inadequate insurance coverage to protect against potential hazards; equipment and machinery failure;*

- *product liability and warranty claims;*

- *cybersecurity incidents or other similar disruptions impacting Core Molding Technologies or significant customers and/or suppliers; and*

- *other risks identified from time to time in Core Molding Technologies' other public documents on file with the Securities and Exchange Commission, including those described in Item 1A of Core Molding Technologies' this Annual Report on Form 10-K for the year ended December 31, 2022. 10-K.*

**Description of the Company**

Core Molding Technologies and its subsidiaries operate in the engineered materials market as one operating segment as a molder of thermoplastic and thermoset structural products. The Company produces and sells molded products for varied markets, including medium and heavy-duty trucks, power sports, building products, industrial and utilities and other commercial markets. Core Molding Technologies has its headquarters in Columbus, Ohio, and operates six production facilities in the United States, Canada and Mexico.

**Business Overview**

**General**

The Company's business and operating results are directly affected by changes in overall customer demand, operational costs and performance and leverage of our fixed cost and selling, general and administrative ("SG&A") infrastructure.

Product sales fluctuate in response to several factors, including many that are beyond the Company's control, such as general economic conditions, interest rates, government regulations, consumer spending, raw material cost inflation, labor availability, and our customers' production rates and inventory levels. The Company's customers operate in many different markets with different cyclicality and seasonality.

Operating performance is dependent on the Company's ability to manage changes in input costs for items such as raw materials, labor, and overhead operating costs. The Company has certain contractual commitments that restrict its ability to pass through changes in input costs to certain customers. As a result, during periods of significant increases or decreases in input costs operating results may be impacted.

Performance is also affected by manufacturing efficiencies, including items such as on time delivery, quality, scrap, and productivity. Market factors of supply and demand can impact operating costs. In periods of rapid increases or decreases in customer demand, the Company is required to ramp operational activity up or down quickly, which may impact manufacturing efficiencies more than in periods of steady demand.

Operating performance is also dependent on the Company's ability to effectively launch new customer programs, which are extremely complex in nature. The start of production of a new program is the result of a process of developing new molds and assembly equipment, validation testing, manufacturing process design, development and testing, along with training and often hiring employees. Meeting the targeted levels of manufacturing efficiency for new programs usually occurs over time as the Company gains experience with new tools and processes. Therefore, during a new program launch period, start-up costs and inefficiencies can affect operating results.

**Business Outlook**

Looking forward, based on industry analyst projections, customers' customer forecasts, impacts from United Auto Worker strikes at customer facilities, a return anticipated price changes, as well as anticipated new program launches, offset by current programs that we expect to more normal seasonality and macro-economic impacts begin to ramp down in the second half of increasing interest rates, 2024 as further described below, the Company expects fourth quarter 2023 revenues for calendar year 2024 to decrease by approximately 10 to 15 percent as compared to 2023. Additional factors contributing to our anticipated 2024 revenue outlook include an expected cyclical demand slowdown, decreased customer inventory builds due to stabilizing inventory levels as well as a consumer demand environment that is more consistent with pre-pandemic levels.The Company anticipates the revenue decrease to be 15% – 20% less than more significant in the prior year fourth quarter. first half of 2024 and a lesser decrease in the second half of 2024 compared to the same periods in 2023.

Beginning in the second half of 2024 and continuing through 2026, the Company's business with Volvo will begin transitioning from existing programs that the Company currently supplies to new programs that the Company does not support. Notwithstanding this transition and the completion of existing programs with Volvo, the Company continues to actively bid for new Volvo business, which we believe we will continue to secure outside of the current programs. Going forward we remain focused on continuing to replace phased out business from existing programs with new programs from Volvo or other customers.

The most significant impacts to revenues for the fourth quarter will be from auto Company's raw material supply chains remain stable, and truck customer demand directly impacted by the United Auto Workers strike, decrease demand from industrial customers who have reduced demand as a result of inventory optimization and lower tooling revenues. For the full year 2023, the Company anticipates that revenues will be 5%-10% lower than 2022.

For raw material pricing in 2024 the Company anticipates headwinds from macro-economic tightening, projected truck cyclicality and end of life of certain programs to negatively impact the Company's revenues remain flat or slightly higher as compared to 2023. Industry analysts are projecting a demand decrease in 2024 in Labor markets have also stabilized, although at higher cost levels over the North American heavy-duty truck market compared to 2023 and then a rebound in demand in 2025.

past several years. The Company experienced lower raw material costs for the nine months ended September 30, 2023 compared to 2022 for most of the Company's significant raw materials. The Company anticipates current year fourth quarter raw material prices to remain below prior year fourth quarter levels. does not anticipate challenges in hiring hourly labor, although management believes wage pressure will continue, especially in Mexico.

The Company continues to monitor the impact of domestic and international bank failures, which had no direct impact on our results of operations and financial condition during the nine months ended September 30, 2023. Any additional market disruptions could impact banks directly used by the Company or those used by our customers or suppliers, which could have a negative effect on the Company's financial position and results of operations.

**Results of Operations**

**Three Months Ended September 30, 2023 March 31, 2024, as Compared to Three Months Ended September 30, 2022 March 31, 2023**

Net sales for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 totaled $86,728,000 $78,145,000 and $101,606,000, $99,507,000, respectively. Included in net sales were tooling project sales of $5,832,000 $2,314,000 and $9,266,000 $1,170,000 for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Tooling sales are sporadic in nature and fluctuate in regard to scope and related revenue on a period-to-period basis. Product sales, excluding tooling project sales, for the three months ended September 30, 2023 March 31, 2024 were $80,896,000 $75,831,000 compared to $92,340,000 $98,337,000 for the same period in 2022. 2023. The decrease in sales is primarily the result of lower demand from the power sports, building products and industrial markets, offset by price increases related to raw material and labor cost inflation recoveries. across all industries. The Company's product sales for the three months ended September 30, 2023 March 31, 2024 compared to the same period in 2022 2023 by market are as follows (in thousands):

| | | Three months ended September 30, | |
| --- | --- | --- | --- |
| | | 2023 | 2022 |
| | Three months ended March 31, | Three months ended March 31, | |
| | 2024 | 2024 | 2023 |
| Medium and heavy-duty truck | Medium and heavy-duty truck | $45,395 | $44,951 |
| Power sports | Power sports | 13,705 | 19,963 |
| Building products | Building products | 4,823 | 6,779 |
| Industrial and utilities | Industrial and utilities | 4,473 | 6,087 |
| All other | All other | 12,500 | 14,560 |
| Net product revenue | Net product revenue | $80,896 | $92,340 |

Gross margin was approximately 17.6% 17.0% and 17.8% of sales for the three months ended September 30, 2023, March 31, 2024 and 2023, respectively. Gross margin compared with 13.1% for the three months ended September 30, 2022. The gross margin percentage increase to last year was positively impacted by increased net changes in selling price and raw material costs of 4.3% and operational efficiencies and product mix of 2.6% 1.7%, offset by unfavorable foreign currency impact of 0.9% and lower fixed cost leverage of 1.5% 1.7% and operational inefficiencies and product mix of 0.8%.

Selling general and administrative expense ("SG&A &A") was $9,403,000 $8,573,000 for the three months ended September 30, 2023 March 31, 2024, compared to SG&A costs of $8,671,000 $9,668,000 for the three months ended September 30, 2022 March 31, 2023. Increased Decreased SG&A expenses resulted primarily from one-time press relocation lower bonus of $512,000, favorable foreign currency translation of $210,000 and lower labor and benefits costs of $540,000 and higher bonus expense of $245,000.

During the third quarter of 2022, the Company refinanced its existing credit facility. As a result, the Company recorded one-time losses of $1,234,000 from writing off outstanding deferred loan costs and $348,000 from prepayment fees associated with the repayment of the FGI Term Loan. $117,000 .

Net interest expense totaled $187,000 $82,000 for the three months ended September 30, 2023 March 31, 2024, compared to interest expense of $511,000 $356,000 for the three months ended September 30, 2022 March 31, 2023. The decrease in net Lower interest expense was primarily due to lower average outstanding debt balance for the three months ended September 30, 2023, when compared to the same period in 2022. The Company also recognized $133,000 of higher interest income during the three months ended September 30, 2023. from cash accumulation of $252,000.

Income tax expense for the three months ended September 30, 2023 March 31, 2024 is estimated to be $1,386,000, $1,029,000, approximately 24.1% 21.5% of income before income taxes, and includes tax expense in the United States, Canadian and Mexican tax jurisdictions. taxes. Income tax expense for the three months ended September 30, 2022 March 31, 2023 was estimated to be $1,251,000, $1,919,000, approximately 48.7% 24.7% of income before income taxes and includes tax expense in the Canadian and Mexican tax jurisdictions. U.S. operations incurred a net loss for the three months ended September 30, 2022 and the net loss tax benefit was offset with a full valuation reserve. taxes.

The Company recorded net income for the three months ended September 30, 2023 March 31, 2024 of $4,354,000 $3,759,000 or $0.50 $0.43 per basic share and $0.49 per diluted share compared with net income of $1,319,000, $5,852,000, or $0.16 $0.69 per basic and $0.66 diluted share, for the three months ended September 30, 2022 March 31, 2023.

Comprehensive income totaled $3,720,000 $3,465,000 for the three months ended September 30, 2023 March 31, 2024, compared to comprehensive income of $1,389,000 $5,900,000 for the same period ended September 30, 2022. The increase was related primarily to the increase in net income of $3,035,000, offset by net changes in foreign currency and interest rate hedges of $675,000.

**Nine Months Ended September 30, 2023, as Compared to Nine Months Ended September 30, 2022**

Net sales for the nine months ended September 30, 2023 and 2022 totaled $283,961,000 and $290,933,000, respectively. Included in net sales were tooling project sales of $9,028,000 and $15,375,000 for the nine months ended September 30, 2023 and 2022, respectively. Tooling sales are sporadic in nature and fluctuate in regard to scope and related revenue on a period-to-period basis. Product sales, excluding tooling project sales, for the nine months ended September 30, 2023 were $274,933,000 compared to $275,558,000 for the same period in 2022. The slight decrease in sales is primarily the result of lower demand in building products, industrial and power sports markets, offset by higher demand from the medium and heavy-duty truck markets, revenues from new program launches and price increases related to raw material and labor cost inflation recoveries. The Company's product sales for the nine months ended September 30, 2023 compared to the same period in 2022 by market are as follows (in thousands):

| | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|
| Medium and heavy-duty truck | $ 140,104 | $ 116,864 |
| Power sports | 59,619 | 62,133 |
| Building products | 27,301 | 36,219 |
| Industrial and utilities | 17,525 | 19,814 |
| All other | 30,384 | 40,528 |
| Net product revenue | $ 274,933 | $ 275,558 |

Gross margin was approximately 18.9% of sales for the nine months ended September 30, 2023, compared with 14.1% for the nine months ended September 30, 2022. The gross margin percentage increase was positively impacted by net changes in selling price and raw material costs of 5.4% and operational efficiencies and product mix of 0.7%, offset by unfavorable foreign currency impact of 0.4% and lower fixed cost leverage of 0.9%.

SG&A was $29,562,000 for the nine months ended September 30, 2023, compared to SG&A costs of $25,889,000 for the nine months ended September 30, 2022. Increased SG&A expenses resulted primarily from higher labor and benefits costs of $1,563,000, higher bonus expense of $1,303,000, one-time press relocation costs of $540,000 and higher professional fees of $475,000.

During the nine months ended September 30, 2022, the Company refinanced its existing credit facility. As a result, the Company recorded one-time losses of $1,234,000 from writing off outstanding deferred loan costs and $348,000 from prepayment fees associated with the repayment of its term loan with FGI Equipment Finance LLC (the "FGI Term Loan").

Net interest expense totaled $836,000 for the nine months ended September 30, 2023, compared to interest expense of $1,511,000 for the nine months ended September 30, 2022 March 31, 2023. The decrease in net interest expense was due to lower interest rates and lower average outstanding debt balance for the nine months ended September 30, 2023, when compared to the same period in 2022. The Company also recognized $158,000 of interest income during the nine months ended September 30, 2023.

Income tax expense for the nine months ended September 30, 2023 is estimated to be $5,198,000, approximately 22.3% of income before income taxes, and includes tax expense in United States, Canadian and Mexican tax jurisdictions. The Company recognized a tax benefit of $535,000 related to the difference in grant price and vest price for stock awards that vested during the nine months ended September 30, 2023. Income tax expense for the nine months ended September 30, 2022 was estimated to be $4,658,000, approximately 38.7% of income before income taxes and includes tax expense in the Canadian and Mexican

tax jurisdictions. U.S. operations incurred a net loss for the nine months ended September 30, 2022 and the net loss tax benefit was offset with a full valuation reserve.

The Company recorded net income for the nine months ended September 30, 2023 of $18,142,000 or $2.13 per basic share and $2.08 per diluted share, compared with net income of $7,371,000, or $0.87 per basic and diluted share, for the nine months ended September 30, 2022.

Comprehensive income totaled $18,311,000 for the ninemonths ended September 30, 2023, compared to comprehensive income of $7,314,000 for the same period ended September 30, 2022. The increase was primarily related to the increase decrease in net income of $10,771,000. $2,093,000.

**Liquidity and Capital Resources**

Historically, the Company's primary sources of funds have been cash generated from operating activities and borrowings from third parties. Primary cash requirements are for operating expenses, capital expenditures, repayments of debt, and acquisitions. The Company from time to time will enter into foreign exchange contracts and interest rate swaps to mitigate risk of foreign exchange and interest rate volatility. As of September 30, 2023 March 31, 2024, the Company had outstanding foreign exchange contracts with notional amounts totaling $20,222,000. $5,063,000. As of September 30, 2023 March 31, 2024, the Company had outstanding interest rate swaps with notional amounts totaling $23,542,000. $22,917,000.

Cash provided by operating activities for the nine three months ended September 30, 2023 March 31, 2024 totaled $26,149,000. $5,072,000. Net income of $18,142,000 $3,759,000 positively impacted operating cash flows. Non-cash deductions of depreciation and amortization, and share-based compensation included in net income amounted to $9,575,000 $3,292,000 and $2,223,000, $739,000, respectively. Increased working capital reduced decreased cash provided by operating activities by $4,073,000. The increase in $2,504,000. Higher working capital was primarily related to changes in accrued liabilities and inventory offset by changes in in prepaid expenses assets, accounts receivable and accounts receivable, offset by a change in accrued liabilities. payable.

Cash used in investing activities for the nine three months ended September 30, 2023 March 31, 2024 was $6,803,000, $1,893,000, which related to purchases of property, plant and equipment. The Company anticipates spending approximately$13,000,000 $9,000,000 to $11,000,000 during 2023 2024 on property, plant and equipment purchases for all of the Company's operations. At September 30, 2023 March 31, 2024, purchase commitments for capital expenditures in progress were $2,000,000. $2,939,000. The Company anticipates using cash from operations, its available revolving line of credit or its capex line to fund capital investments.

Cash used for financing activities for the nine three months ended September 30, 2023 March 31, 2024 totaled $5,494,000, $665,000, which consisted of payments related to the purchase of treasury stock of $2,669,000 $343,000 in exchange for payment of taxes related to net share shares settlements of equity awards net revolving loan payments of $1,864,000 and repayments of long-term debt of $961,000. $322,000.

At September 30, 2023 March 31, 2024, the Company had $18,035,000 $26,618,000 cash on hand, a $25,000,000 revolving loan facility of which none is outstanding, and a $25,000,000 Capex loan facility with no outstanding balances. balance.

The Company is required to meet certain financial covenants included in the Huntington Credit Agreement (defined below), which covenants include a net debt leverage and a fixed charge coverage ratio. As of September 30, 2023 March 31, 2024, the Company was in compliance with its financial covenants associated with the loans made under the Huntington Credit Agreement as described below.

Management believes cash on hand, cash flow from operating activities and available borrowings under the Company's credit agreement will be sufficient to meet the Company's current liquidity needs.

*Huntington Credit Agreement*

On July 22, 2022, the Company entered into a credit agreement (the "Huntington Credit Agreement") with The Huntington National Bank ("Huntington"), as the sole lender, administrative agent, lead arranger and book runner, and the lenders from time to time thereto. Pursuant to the terms of the Huntington Credit Agreement, Huntington made available to the Company secured loans (the "Huntington Loans") in the maximum aggregate principal amount of $75,000,000, ($38,689,000 of which was advanced to the Company on July 22, 2022), comprised of three $25,000,000 commitments: a term loan commitment, a CapEx loan commitment and a revolving loan commitment.

The initial proceeds from the Huntington Credit Agreement were used in part to (i) repay all existing outstanding indebtedness of the Company owing to Wells Fargo Bank, National Association, and FGI Equipment Finance LLC ("FGI") and (ii) pay certain fees and expenses associated with entering the Huntington Credit Agreement.

At the option of the Company, the Huntington Loans shall be comprised of Alternative Base Rate (ABR) Loans or Secure Overnight Financing Rate (SOFR) Loans.

ABR Loans bear interest at a per annum rate equal to ABR plus a margin of 280 to 330 basis points determined based on the Company's leverage ratio. ABR is the greater greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Rate in effect on such day plus 0.50% per annum and (c) Daily Simple SOFR for such day (taking into account any floor set forth in the definition of "Daily Simple SOFR") plus 1.00% per annum; provided, that if the ABR shall be less than 0.00%, then ABR shall be deemed to be 0.00%.

SOFR Loans bear interest at a per annum rate equal to Daily Simple SOFR plus a margin of 180 to 230 basis points determined based on the Company's leverage ratio. Daily Simple SOFR means, for any day (a "SOFR Rate Day"), a rate per annum equal to the greater of (a) SOFR for the day (such day, the "SOFR Determination Date") that is five (5) U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator's Website, and (b) 0.00%.

The Company's obligations under the Huntington Credit Agreement are secured by all of the U.S. and Canadian assets of the Company, including all of its equity interests in each of the Company's U.S. and Canadian subsidiaries and 65% of the Company's equity interest in its Mexican subsidiaries, and are unconditionally guaranteed by certain subsidiaries of the Company.

The Huntington Credit Agreement contains certain customary representations and warranties, conditions, affirmative and negative covenants and events of default. The Company is in compliance with such covenants as of September 30, 2023 March 31, 2024.

Voluntary prepayments of amounts outstanding under the Huntington Loans are permitted at any time without premium or penalty.

The Company incurred debt origination fees of $402,000 related to the Huntington Credit Agreement, which are is being amortized over the life of the agreement.

*Huntington Capex Loan*

Pursuant to the terms of the Huntington Credit Agreement, Huntington made available to the Company secured Capex loan (the "Huntington Capex Loan") in the maximum aggregate principal amount of $25,000,000. Proceeds of the Huntington Capex Loan will be used to finance the ongoing capital expenditure needs of the Company.

Any borrowings from the Huntington Capex Loan will be converted to new term loans annually each February, beginning February 2025, and will have monthly principal repayments based on a sixty-month amortization period with all amounts outstanding on the Huntington Capex Loan being fully due on July 22, 2027.

*Huntington Revolving Loan*

Pursuant to the terms of the Huntington Credit Agreement, Huntington made available to the Company a revolving loan commitment (the "Huntington Revolving Loan") of $25,000,000. The Company has $25,000,000 of available revolving loans of which none was outstanding as of March 31, 2024 and December 31, 2023, respectively.

The Huntington Credit Agreement makes available to the Company a revolving commitment in the maximum amount of $25,000,000 at the Company's option at any time during the five-year period following the closing. The revolving loan commitment terminates, and all outstanding borrowings thereunder must be repaid on July 22, 2027.

The interest rate for the Huntington Revolving Loan was 7.11% and 7.11% as of March 31, 2024 and December 31, 2023, respectively.

*Huntington Term Loan*

Pursuant to the terms of the Huntington Credit Agreement, Huntington made available to the Company a Term Loan commitment (the "Huntington Term Loan") of $25,000,000 ($25,000,000 of which was advanced to the Company on July 22, 2022). The Huntington Term Loan is to be repaid in monthly installments beginning August 2022 of $104,000 per month for the first 24 months, $156,000 per month for the next 24 months, $208,000 for the next 12 months and the remaining balance to be paid on July 22, 2027. The interest rate for the Huntington Term Loan was 7.11% and 7.11% as of March 31, 2024 and December 31, 2023, respectively.

*Interest Rate Swap Agreement*

The Company entered into an interest rate swap agreement that became effective July 22, 2022 and continues through July 2027, which was designated designed as a cash flow hedge for $25,000,000 of the Huntington Term Loan. Under this agreement, the Company will pay a fixed rate of 2.95% to the swap counterparty in exchange for the Term Loans daily variable SOFR. As a result the interest rate paid on the Huntington Term Loan was 4.75% as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. The fair value of the interest rate swap was an asset of $1,131,000 $797,000 and $765,000 $524,000 at September 30, 2023 March 31, 2024 and December 31, 2022, respectively.

*Huntington Capex Loan*

Pursuant to the terms of the Huntington Credit Agreement, Huntington made available to the Company secured Capex loan (the "Huntington Capex Loan") in the maximum aggregate principal amount of $25,000,000 (none of which was advanced to the Company on July 22, 2022 and through September 30, 2023). Proceeds of the Huntington Capex Loan will be used to finance the ongoing capital expenditure needs of the Company.

Any borrowings from the Huntington Capex Loan will be converted to new term loans annually each February, beginning February 2025, and will have monthly principal repayments based on a sixty-month amortization period with all amounts outstanding on the Huntington Capex Loan being fully due on July 22, 2027.

*Huntington Revolving Loan*

Pursuant to the terms of the Huntington Credit Agreement, Huntington makes available to the Company a revolving loan commitment (the "Huntington Revolving Loan") of $25,000,000 ($13,689,000 of which was advanced to the Company on July 22, 2022) at the Company's option at any time during the five-year period following the closing. The Company has $25,000,000 of available revolving loans of which none was outstanding as of September 30, 2023. As of December 31, 2022, $1,864,000 was outstanding.

The revolving loan commitment terminates, and all outstanding borrowings thereunder must be repaid on July 22, 2027.

The interest rate for the Huntington Revolving Loan was 7.11% and 6.12% as of September 30, 2023 and December 31, 2022 December 31, 2023, respectively.

*Leaf Capital Funding*
On April 24, 2020 the Company entered into a finance agreement with Leaf Capital Funding of $175,000 for equipment. The parties agreed to a fixed interest rate of 5.50% and a term of 60 months.

**Off-Balance Sheet Arrangements**

The Company did not have any significant off-balance sheet arrangements as of September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023.

The Company did not have or experience any material changes outside the ordinary course of business as to contractual obligations, including long-term debt obligations, capital lease obligations, operating lease obligations, purchase obligations or other long-term liabilities reflected in the Company's Consolidated Balance Sheet under GAAP, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

**Critical Accounting Policies and Estimates**

For information on critical accounting policies and estimates, see Note 2, "Critical Accounting Policies and Estimates," to the consolidated financial statements included herein.

**Recent Accounting Pronouncements**

For information on the impact of recently issued accounting pronouncements, see Note 3, "Recent Accounting Pronouncements," to the consolidated financial statements included herein.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Core Molding Technologies' primary market risk results from changes in the price of commodities used in its manufacturing operations. Core Molding Technologies is also exposed to fluctuations in interest rates and foreign currency fluctuations associated with the Mexican Peso and Canadian Dollar. Core Molding Technologies does not hold any material market risk sensitive instruments for trading purposes. The Company uses derivative financial instruments to hedge exposure to fluctuations in foreign exchange rates and interest rates.

Core Molding Technologies has the following three items that are sensitive to market risks: (1) non-hedged loans under the Huntington Credit Agreement, all of which bear a variable interest rate; (2) non-hedged foreign currency purchases in which the Company purchases Mexican Pesos and Canadian Dollars with United States Dollars to meet certain obligations; and (3) raw material purchases in which Core Molding Technologies purchases various resins, fiberglass, and metal components for use in production. The prices and availability of these materials are affected by the prices of crude oil, natural gas and other feedstocks, tariffs, as well as processing capacity versus demand.

Assuming a hypothetical 10% change in short-term interest rates, interest paid on the Term Loan would be impacted, as the interest rate on these loans is based upon SOFR. It would not, however, have a material effect on earnings before tax as the Company has entered into a hedge to offset changes in SOFR.

Assuming a hypothetical 10% decrease in the United States Dollar to Mexican Peso and Canadian Dollar exchange rate, the Company would be impacted by an increase in operating costs, which would have an adverse effect on operating margins.

Assuming a hypothetical 10% increase in commodity prices, Core Molding Technologies would be impacted by an increase in raw material costs, which would have an adverse effect on operating margins.

**Item 4. Controls and Procedures**

As of the end of the period covered by this report, the Company has carried out an evaluation, under the supervision and with the participation of its management, including its Chief Executive Officer and its Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based upon this evaluation, the Company's management, including its Chief Executive Officer and its Chief Financial Officer, concluded that the Company's disclosure controls and procedures were (i) effective to ensure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act was accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure, and (ii) effective to ensure that information required to be disclosed in the Company's reports filed or submitted 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. There were no changes in internal controls over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)) that occurred in the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

## Part II — Other Information

### Item 1. Legal Proceedings

From time to time, the Company is involved in litigation incidental to the conduct of its business. The Company is presently not involved in any legal proceedings which in the opinion of management are likely to have a material adverse effect on the Company's consolidated financial position or results of operations.

### Item 1A. Risk Factors

There have been no material changes in Core Molding Technologies' risk factors from those previously disclosed in Core Molding Technologies' Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Purchases of Equity Securities

The Company repurchased 29,804 17,773 shares of our common stock during the three months ended September 30, 2023 March 31, 2024. All stock was purchased to satisfy tax withholding obligations upon vesting of restricted stock awards and exercise of stock appreciation rights. Details of the repurchases of our common stock during the three months ended September 30, 2023 March 31, 2024 are included in the following table:

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number that May Yet be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| July 1 to 31, 2023 | 302 | $ 22.55 | — | — |
| August 1 to 31, 2023 | 29,502 | $ 25.59 | — | — |
| September 1 to 30, 2023 | — | $ — | — | — |

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs | Maximum Number that May Yet be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| January 1 to 31, 2024 | — | — | — | — |
| February 1 to 29, 2024 | — | — | — | — |
| March 1 to 31, 2024 | 17,773 | $ 19.31 | — | — |

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

None.

### Item 5. Other Information

None.

### Item 6. Exhibits

See Index to Exhibits.

## SIGNATURES

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.

CORE MOLDING TECHNOLOGIES, INC.

| | | | |
|---|---|---|---|
| Date: | November May 7, 2023 2024 | By: | /s/ David L. Duvall |
| | | | David L. Duvall |
| | | | President, Chief Executive Officer, and Director |
| Date: | November May 7, 2023 2024 | By: | /s/ John P. Zimmer |
| | | | John P. Zimmer |
| | | | Executive Vice President, Secretary, Treasurer and Chief Financial Officer |

**INDEX TO EXHIBIT**

| Exhibit No. | Description | Location |
| --- | --- | --- |
| 3(a)(1) | Certificate of Incorporation of Core Molding Technologies, Inc. as filed with the Secretary of State of Delaware on October 8, 1996 | Incorporated by reference to Exhibit 4(a) to Registration Statement on Form S-8 (Registration No. 333-29203) |
| 3(a)(2) | Certificate of Amendment of Certificate of Incorporation of Core Molding Technologies, Inc. as filed with the Secretary of State of Delaware on November 6, 1996 | Incorporated by reference to Exhibit 4(b) to Registration Statement on Form S-8 (Registration No. 333-29203) |
| 3(a)(3) | Certificate of Amendment of Certificate of Incorporation as filed with the Secretary of State of Delaware on August 28, 2002 | Incorporated by reference to Exhibit 3(a)(4) to Quarterly Report on Form 10-Q for the quarter ended September 30, 2002 |
| 3(a)(4) | Certificate of Designation, Preferences and Rights of Series B Junior Participating Preferred Stock as filed with the Secretary of State of Delaware on April 21, 2020 | Incorporated by reference to Exhibit 3.1 to Form 8-K filed April 22, 2020 |
| 3(a)(5) | Certificate of Elimination of the Series A Junior Participant Preferred Stock as filed with the Delaware Sec. of State on April 1, 2021 | Incorporated by reference to Exhibit 3(a)(5) to Form 8-K filed April 6, 2021 |
| 3(b)(1) | Amended and Restated By-Laws of Core Molding Technologies, Inc. | Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed January 4, 2008 |
| 3(b)(2) | Amendment No. 1 to the Amended and Restated By-Laws of Core Molding Technologies, Inc. | Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed December 17, 2013 |
| 10(a) | Form Performance Restricted Stock Award Agreement | Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed March 14, 2023 |
| 31(a) | Section 302 Certification by David L. Duvall, President, Chief Executive Officer, and Director | Filed Herein |
| 31(b) | Section 302 Certification by John P. Zimmer, Executive Vice President, Secretary, Treasurer, and Chief Financial Officer | Filed Herein |
| 32(a) | Certification of David L. Duvall, Chief Executive Officer of Core Molding Technologies, Inc., dated November 7, 2023 May 7, 2024, pursuant to 18 U.S.C. Section 1350 | Filed Herein |
| 32(b) | Certification of John P. Zimmer, Executive Vice President, Secretary, Treasurer and Chief Financial Officer of Core Molding Technologies, Inc., dated November 7, 2023 May 7, 2024, pursuant to 18 U.S.C. Section 1350 | Filed Herein |
| 101.INS | XBRL Instance Document | Filed Herein |
| 101.SCH | XBRL Taxonomy Extension Schema Document | Filed Herein |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase | Filed Herein |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase | Filed Herein |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase | Filed Herein |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase | Filed Herein |
| 104 | Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101) | Filed Herein |



**Exhibit 31(a)**

**SECTION 302 CERTIFICATION**

I, David L. Duvall, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Core Molding Technologies, Inc.;
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 financial 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 officer 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 annual 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this 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 the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    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.

Date: November 7, 2023 May 7, 2024

/s/ David L. Duvall

David L. Duvall

President, Chief Executive Officer, and Director

**Exhibit 31(b)**

**SECTION 302 CERTIFICATION**

I, John P. Zimmer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Core Molding Technologies, Inc.;
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 financial 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 officer 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 annual 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 report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this 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 the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

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.

Date: November 7, 2023 May 7, 2024

/s/ John P. Zimmer
John P. Zimmer
Vice President, Secretary, Treasurer and Chief Financial Officer

**Exhibit 32(a)**

**CORE MOLDING TECHNOLOGIES, INC.**
**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Core Molding Technologies, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, David L. Duvall, President, Chief Executive Officer, and Director 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 results of operations of the Company.

/s/ David L. Duvall
David L. Duvall
President, Chief Executive Officer, and Director
November May 7, 2023 2024

**Exhibit 32(b)**

**CORE MOLDING TECHNOLOGIES, INC.**
**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Core Molding Technologies, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, John P. Zimmer, Vice President, Secretary, Treasurer, and Chief 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 results of operations of the Company.

/s/ John P. Zimmer
John P. Zimmer
Vice President, Secretary, Treasurer and Chief Financial Officer
November May 7, 2023 2024

## 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.