UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

☑ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

or

☐ **Transition report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2019

Commission file number: 001-34365

COMMERCIAL VEHICLE GROUP, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**41-1990662**
(State of Incorporation)	*(I.R.S. Employer Identification No.)*
7800 Walton Parkway	**43054**
New Albany, Ohio	*(Zip Code)*
(Address of Principal Executive Offices)	

Registrant's telephone number, including area code:
(614) 289-5360

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

Title of Each Class	Trading Symbol	Name of exchange on which registered
Common Stock, par value $.01 per share	CVGI	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Schedule 15(d) of the Act. Yes ☐ No ☑

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post 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 the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ 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 ☑

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold on June 30, 2019, was $239,933,394.

As of March 16, 2020, 31,327,663 shares of Common Stock of the Registrant were outstanding.

Documents Incorporated by Reference

Information required by Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K is incorporated by reference from the Registrant's Proxy Statement for its annual meeting to be held May 14, 2020 (the "2020 Proxy Statement").

COMMERCIAL VEHICLE GROUP, INC.

Annual Report on Form 10-K

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CERTAIN DEFINITIONS

All references in this Annual Report on Form 10-K to the "Company", "Commercial Vehicle Group", "CVG", "we","us", and "our" refer to Commercial Vehicle Group, Inc. and its consolidated subsidiaries (unless the context otherwise requires).

FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. For this purpose, any statements contained herein that are not statements of historical fact, including without limitation, certain statements under "Item 1 - Business" and "Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" and located elsewhere herein regarding industry outlook, financial covenant compliance, anticipated effects of acquisitions, production of new products, plans for capital expenditures and our results of operations or financial position and liquidity, may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believe", "anticipate", "plan", "expect", "intend", "will", "should", "could", "would", "project", "continue", "likely", and similar expressions, as they relate to us, are intended to identify forward-looking statements. The important factors discussed in "Item 1A - Risk Factors", among others, could cause actual results to differ materially from those indicated by forward-looking statements made herein and presented elsewhere by management from time to time. Such forward-looking statements represent management's current expectations and are inherently uncertain. Investors are warned that actual results may differ from management's expectations. Additionally, various economic and competitive factors could cause actual results to differ materially from those discussed in such forward-looking statements, including, but not limited to, factors which are outside our control, such as risks relating to (i) a material weakness in our internal control over financial reporting which could, if not remediated, result in material misstatements in our financial statements; (ii) future financial restatements affecting the company; (iii) general economic or business conditions affecting the markets in which the Company serves; (iv) the Company's ability to develop or successfully introduce new products; (v) risks associated with conducting business in foreign countries and currencies; (vi) increased competition in the medium- and heavy-duty truck markets, construction, agriculture, aftermarket, military, bus and other markets; (vii) the Company's failure to complete or successfully integrate strategic acquisitions and the impact of such acquisitions on business relationships; (viii) the Company's ability to recognize synergies from the reorganization of the segments; (ix) the Company's failure to successfully manage any divestitures; (x) the impact of changes in governmental regulations on the Company's customers or on its business; (xi) the loss of business from a major customer, a collection of smaller customers or the discontinuation of particular commercial vehicle platforms; (xii) the Company's ability to obtain future financing due to changes in the lending markets or its financial position; (xiii) the Company's ability to comply with the financial covenants in its debt facilities; (xiv) fluctuation in interest rates or change in the reference interest rate relating to the Company's debt facilities; (xv) the Company's ability to realize the benefits of its cost reduction and strategic initiatives and address rising labor and material costs; (xvi) volatility and cyclicality in the commercial vehicle market adversely affecting us; (xvii) the geographic profile of our taxable income and changes in valuation of our deferred tax assets and liabilities impacting our effective tax rate; (xviii) changes to domestic manufacturing initiatives; (xix) implementation of tax or other changes, by the United States or other international jurisdictions, related to products manufactured in one or more jurisdictions where the Company does business (xx) security breaches and other disruptions that could compromise our information systems; (xxi) the impact of disruptions in our supply chain or delivery chains; (xxii) litigation against us; and (xxiii) the impact of health epidemics or widespread outbreak of contagious disease. Any forward-looking statement that we make in this report speaks only as of the date of such statement, and we undertake no obligation to update any forward-looking statement or to publicly announce the results of any revision to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

PART I

Item 1. *Business*

COMPANY OVERVIEW

Commercial Vehicle Group, Inc. (through its subsidiaries) is a leading supplier of electrical wire harnesses, seating systems, and a full range of other cab related products for the global commercial vehicle markets, including medium- and heavy-duty trucks ("MD/HD Truck") and medium- and heavy-construction vehicles. We also supply electrical wire harnesses, control panels, electro-mechanical and cable assemblies, seating systems and other products to automotive, military, bus, agriculture, transportation, mining, industrial and off-road recreational markets. References herein to the "Company", "CVG", "we", "our", or "us" refer to Commercial Vehicle Group, Inc. and its subsidiaries.

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

We are differentiated from automotive industry suppliers by our ability to manufacture low volume, customized products on a sequenced basis to meet the requirements of our customers. We believe our products are used by a majority of the North American MD/HD Truck and many medium- and heavy-duty construction vehicle original equipment manufacturers (“OEMs”), and to a lesser extent other makers of industrial equipment.

Our Long-term Strategy

Refer to Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

SEGMENTS

In the quarter ended December 31, 2018, we completed a strategic reorganization of our operations into two business segments, Electrical Systems and Global Seating. The reorganization allows the Company to better focus its business along product lines, as opposed to end markets, which the Company believes enhances the effectiveness of seeking out growth opportunities and shareholder value. As a result of the strategic reorganization, we restated prior period segment information to conform to the current period segment presentation. See Note 12 of the Consolidated Financial Statements for more information.

Operating segments are defined as components of an enterprise that are evaluated regularly by the Company’s chief operating decision maker (“CODM”), which is our President and Chief Executive Officer. Each of these segments consists of a number of manufacturing facilities. Certain of our facilities manufacture and sell products through both of our segments. Each manufacturing facility that sells products through both segments is reflected in the financial results of the segment that has the greatest amount of revenues from that manufacturing facility. Our segments are more specifically described below.

The Electrical Systems Segment manufactures and sells the following products:

- Electrical wire harnesses, control panels, electro-mechanical and cable assemblies primarily for the construction, agricultural, industrial, automotive, truck, mining, rail and military industries in North America, Europe and Asia-Pacific;
- Trim systems and components ("Trim") primarily for the North America MD/HD Truck market;
- Mirrors, wipers and controls primarily for the truck, bus, agriculture, construction, rail and military markets in North America and Europe;
- Cab structures for the North American MD/HD Truck market; and
- Aftermarket components in North America.

The Global Seating Segment manufactures and sells the following products:

- Seats and seating systems ("Seats") primarily to the MD/HD Truck, construction, agriculture and mining markets in North America, Asia-Pacific and Europe;
- Office seating in Europe and Asia-Pacific; and
- Aftermarket seats and components in North America, Europe and Asia-Pacific.

See Note 12 of the Consolidated Financial Statements under Item 8 *Financial Statements and Supplementary Data* for financial information presented by segment for each of the three years ended December 31, 2019, 2018 and 2017, including information on sales and long-lived assets by geographic area.

ELECTRICAL SYSTEMS SEGMENT OVERVIEW

Electrical Systems Segment Products

Set forth below is a description of our products manufactured in the Electrical Systems Segment and their applications.

Electrical Wire Harnesses, Control Panels, Electro-Mechanical and Cable Assemblies. We produce a wide range of electrical wire harnesses and electrical distribution systems, and related assemblies primarily for construction, agriculture, industrial, automotive, truck, mining, rail and military industries. Our principal products in this category include:

Electrical Wire Harnesses. We offer a broad range of electrical wire harness assemblies that function as the primary electric current carrying devices used to provide electrical interconnections for gauges, lights, control functions, power circuits, powertrain and transmission sensors, emissions systems and other electronic applications on commercial and other vehicles. Our wire harnesses are customized to fit specific end-user requirements and can be complex.

Panel Assemblies. We assemble integrated components such as panel assemblies and cabinets that are installed in a vehicle or unit of equipment and may be integrated with our wire harness assemblies. These components provide the user control over multiple operational functions and features.

Electro-Mechanical and Cable Assemblies. We provide electro-mechanical manufacturing services to our customers, including box builds, complex rack and stack assemblies and large multi-cabinet control cabinets with power distribution and cabling. Our service includes mechanical assembly, wire and cable routing, automated wire preparation capabilities, complex configurations, test and custom palletizing and crating solutions.

Trim Systems and Components. We design, engineer and produce Trim primarily for MD/HD Truck, and recreational and specialty vehicle applications. Our Trim products are used mostly for the interior of cabs and are designed to provide a comfortable and durable interior along with a variety of functional and safety features for the vehicle occupant. Our principal products in the Trim category include:

Trim Products. Our Trim products include door panels and other interior trim panels. Specific components include vinyl or cloth-covered appliqués ranging from a traditional cut and sew approach to a contemporary molded styling theme, armrests, map pocket compartments, and sound-reducing insulation.

Instrument Panels. We produce and assemble instrument panels that can be integrated with the rest of the interior trim. The instrument panel is a complex system of coverings and foam, plastic and metal parts designed to house various components and act as a safety device for the vehicle occupant.

Headliners/Wall Panels. Headliners and wall panels consist of a substrate and a finished interior layer made of fabrics and other materials. While headliners and wall panels are an important contributor to interior aesthetics, they also provide insulation from road noise and can serve as carriers for a variety of other components, such as visors, overhead consoles, grab handles, coat hooks, electrical wiring, speakers, lighting and other electronic and electrical products.

Storage Systems. Our modular storage units and custom cabinetry are designed to improve comfort and optimize space for the operator. These storage systems are designed to be integrated with the interior trim.

Floor Covering Systems. We have an extensive and comprehensive portfolio of floor covering systems and dash insulators. Carpet flooring systems generally consist of tufted or non-woven carpet with a thermoplastic backcoating. Non-carpeted flooring systems, used primarily in commercial and fleet vehicles, offer improved wear and maintenance characteristics.

Sleeper Bunks. We offer a wide array of design choices for upper and lower sleeper bunks for heavy-duty trucks. All parts of our sleeper bunks can be integrated to match the rest of the interior trim.

Grab Handles and Armrests. Our grab handles and armrests are designed and engineered with specific attention to aesthetics, ergonomics and strength.

Privacy Curtains. We produce privacy curtains for use in sleeper cabs.

Plastics Decorating and Finishing. We offer customers a wide variety of cost-effective finishes in paint, ultra violet, hard coating and customized industrial hydrographic films (simulated appearance of wood grain, carbon fiber, brushed metal, marbles, camouflage and custom patterns), paints and other interior and exterior finishes.

Cab Structures and Sleeper Boxes. We design, engineer and produce complete cab structures and sleeper boxes for MD/HD Trucks. Our principal products in this category include:

Cab Structures. We design, manufacture and assemble complete cab structures. Our cab structures, which are manufactured from both steel and aluminum, are delivered fully assembled and primed for paint.

Sleeper Boxes. We design, manufacture and assemble sleeper boxes that can be part of the overall cab structure or standalone assemblies depending on the customer application.

Mirrors, Wipers and Controls. We design, engineer and produce a variety of mirrors, wipers and controls used in commercial, military and specialty recreational vehicles. Our principal products in this category include:

Mirrors. We offer a range of round, rectangular, motorized and heated mirrors and related hardware, including brackets, braces and side bars. We have introduced both road and outside temperature devices that can be mounted on the cab, integrated into the mirror face and the vehicle's dashboard through our RoadWatch™ family of products.

Wiper Systems. We offer application-specific windshield wiper systems and individual windshield wiper components.

Controls. We offer a range of controls and control systems for window lifts, door locks and electric switch products.

Electrical Systems Segment's Customers

The following is a summary of the Electrical Systems Segment's significant revenues (figures are shown as a percentage of total Electrical Systems Segment revenue) by end market for each of the three years ended December 31:

	2019	2018	2017
Truck	51%	49%	44%
Construction	17	19	20
Aftermarket and OE Service	10	11	10
Automotive	7	9	10
Military	5	4	4
Agriculture	3	2	3
Other	7	6	9
Total	100%	100%	100%

Our principal customers include A.B. Volvo, Daimler, John Deere, PACCAR, and Caterpillar, constituting a combined total of 70%, 70% and 67% of Electrical Systems Segment revenue for the years ended December 31, 2019, 2018 and 2017, respectively.

Our European and Asia-Pacific operations collectively contributed approximately 12%, 13% and 13% of our revenues for the years ended December 31, 2019, 2018 and 2017, respectively.

GLOBAL SEATING SEGMENT OVERVIEW

Global Seating Segment Products

Set forth below is a brief description of our products manufactured in the Global Seating Segment and their applications.

Seats and Seating Systems. We design, engineer and produce Seats for MD/HD Truck, bus, construction, agriculture and military markets. For the most part, our Seats are fully-assembled and ready for installation when they are delivered to the OEM. We offer a wide range of Seats that include mechanical and air suspension seats, static seats, bus seats and military seats. As a result of our product design and product technology, we believe we are a leader in designing Seats with convenience and safety features. Our Seats are designed to achieve a high level of operator comfort by adding a wide range of manual and power features such as lumbar support, cushion and back bolsters, and leg and thigh support. Our Seats are built to meet customer requirements in low volumes and produced in numerous feature combinations to form a full-range product line with a wide level of price points. We also manufacture Seats, parts and components for the aftermarket.

Office Seating. We design, engineer and produce office seating products. Our office seating was developed as a result of our experience in supplying Seats for commercial vehicles and is fully adjustable to achieve a high comfort level. Our office seating is designed to suit different office environments including heavy usage environments, such as emergency services, call centers, reception areas, studios and general office environments.

Global Seating Segment Customers

The following is a summary of the Global Seating Segment's significant revenues (figures are shown as a percentage of total Global Seating Segment revenue) by end market for each of the three years ended December 31:

	2019	2018	2017
Medium- and Heavy-duty Truck OEMs	49%	43%	39%
Construction OEMs	21	24	25
Aftermarket and OE Service	21	21	24
Bus OEMs	8	8	9
Other	1	4	3
Total	100%	100%	100%

Our principal customers include Daimler, A.B. Volvo, Navistar, PACCAR and Caterpillar, constituting a combined total of 61%, 59% and 57% of Global Seating Segment revenue for the years ended December 31, 2019, 2018 and 2017, respectively.

Our European and Asia-Pacific operations collectively contributed approximately 43%, 48% and 50% of the Global Seating Segment's revenues for the years ended December 31, 2019, 2018 and 2017, respectively.

OUR CONSOLIDATED OPERATIONS

Industries Served

Commercial Vehicle Market. Commercial vehicles are used in a wide variety of end markets, including local and long-haul commercial trucking, bus, construction, mining, agricultural, military, industrial, municipal, off-road recreation and specialty vehicle markets. The commercial vehicle supply industry can generally be separated into two categories: (1) sales to OEMs, in which products are sold in relatively large quantities directly for use by OEMs in new commercial and construction vehicles; and (2) aftermarket sales, in which products are sold as replacements to a wide range of original equipment service organizations, wholesalers, retailers and installers. In the OEM market, suppliers are generally divided into tiers - "Tier 1" suppliers that provide products directly to OEMs, and "Tier 2" and "Tier 3" suppliers that sell products principally to other suppliers for integration into those suppliers' own product offerings. We are generally a Tier 1 supplier.

The commercial vehicle supplier industry is fragmented and comprised of several large companies and many smaller companies. In addition, the commercial vehicle supplier industry is characterized by relatively low production volumes and can have considerable barriers to entry, including the following: (1) specific technical and manufacturing requirements, (2) high transition costs to shift production to new suppliers, (3) just-in-time delivery requirements, and (4) strong brand name recognition.

Although OEM demand for our products is directly correlated with new vehicle production, suppliers like us can increase revenue by further penetrating existing customers' businesses, gaining new customers, expanding into new geographic markets, developing new content in our products to meet changing customer needs and by increasing aftermarket sales. We believe that companies with a global presence, advanced technology, engineering and manufacturing and support capabilities, such as our company, are well positioned to take advantage of these opportunities.

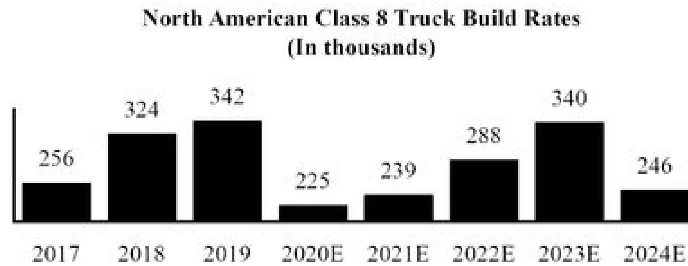
North American Commercial Truck Market. Purchasers of commercial trucks include fleet operators, owner operators, governmental agencies and industrial end users. Commercial vehicles used for local and long-haul commercial trucking are generally classified by gross vehicle weight. Class 8 vehicles are trucks with gross vehicle weight in excess of 33,000 lbs. and Classes 5 through 7 vehicles are trucks with gross vehicle weight from 16,001 lbs. to 33,000 lbs.

The following describes the major markets within the commercial vehicle market in which the Global Seating Segment competes:

Class 8 Truck Market. The global Class 8 ("Class 8" or "heavy-duty") truck manufacturing market is concentrated in three primary regions: North America, Europe and Asia-Pacific. The global Class 8 truck market is localized in nature due to the following factors: (1) the prohibitive costs of shipping components from one region to another, (2) the high degree of customization to meet the region-specific demands of end-users, and (3) the ability to meet just-in-time delivery requirements. According to ACT Research, four companies represented approximately 98% of the market share for North American Class 8 truck production in 2019. The percentages of North American heavy-duty production represented by Daimler, PACCAR, A.B. Volvo, and Navistar were approximately 37%, 31%, 17%, and 14%, respectively, in 2019. We supply products to all of these OEMs.

New Class 8 truck demand is cyclical and is particularly sensitive to economic factors that generate a significant portion of the freight tonnage hauled by commercial vehicles.

The following table illustrates the actual and estimated North American Class 8 truck build for the years 2017 to 2024:

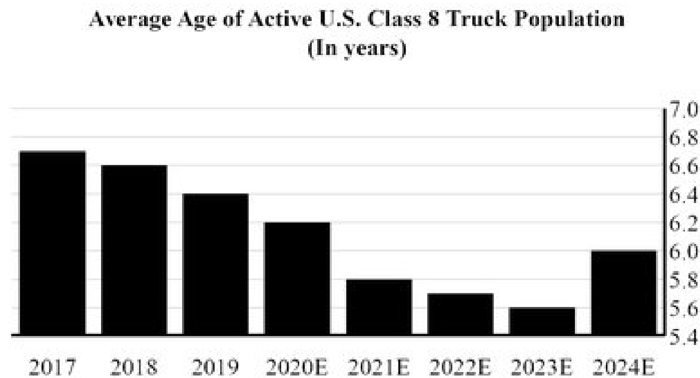


"E" — Estimated
Source: *ACT* (February 2020).

We believe the following factors are primarily responsible for driving the North American Class 8 truck market:

Economic Conditions. The North American truck industry is influenced by overall economic conditions and consumer spending. Since heavy-duty truck OEMs supply the fleet operators, their production levels generally reflect the demand for freight and the fleet operators' purchase of new vehicles.

Truck Replacement Cycle and Fleet Aging. The average age of the U.S. Class 8 truck population was approximately 6.4 years in 2019. The average fleet age tends to run in cycles as freight companies permit their truck fleets to age during periods of lagging demand and then replenish those fleets during periods of increasing demand. As truck fleets age, maintenance costs typically increase. Freight companies evaluate the economics between repair and replacement as well as the potential to utilize more cost-effective technology in vehicles. The chart below illustrates the actual and estimated approximate average age of the U.S. Class 8 truck population:

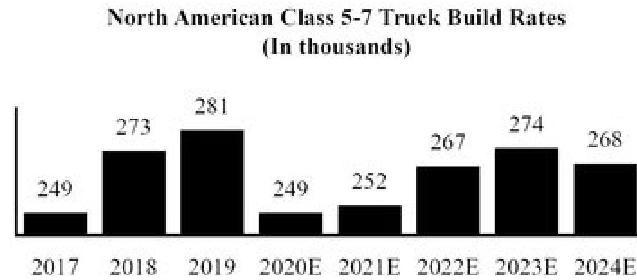


"E" — Estimated
Source: *ACT* (February 2020).

Class 5-7 Truck Market. North American Class 5-7 ("Class 5-7" or "medium-duty") includes recreational vehicles, buses and medium-duty trucks. We primarily participate in the Class 6 and 7 portion of the medium-duty truck market. The medium-duty truck market is influenced by overall economic conditions but has historically been less cyclical than the North American Class 8 truck market, with highs and lows generally not as pronounced as the Class 8 truck market.

As the North American truck fleet companies move to a distribution center model, requiring less long-haul freight vehicles, the demand for medium-duty trucks may increase.

The following table illustrates the actual and estimated North American Class 5-7 truck build for the years 2017 through 2024:



"E" — Estimated
Source: *ACT* (February 2020).

Commercial Truck Aftermarket. Demand for aftermarket products is driven by the quality of OEM parts, the number of vehicles in operation, the average age of the vehicle fleet, the content and value per vehicle, vehicle usage and the average useful life of vehicle parts. Aftermarket sales tend to be at a higher margin. The recurring nature of aftermarket revenue can be expected to provide some insulation to the overall cyclical nature of the industry as it tends to provide a more stable stream of revenues. Brand equity and the extent of a company's distribution network also contribute to the level of aftermarket sales. We believe CVG has a widely recognized brand portfolio and participates in most retail sales channels including original equipment dealer networks and independent distributors.

Commercial Construction Equipment Market. New vehicle demand in the global construction equipment market generally follows certain economic conditions including gross domestic product, infrastructure investment, housing starts, business investment, oil and energy investment and industrial production around the world. Within the construction market, there are two classes of construction equipment markets: the medium and heavy construction equipment market (weighing over 12 metric tons) and the light construction equipment market (weighing below 12 metric tons). Our construction equipment products are primarily used in the medium and heavy construction equipment markets. The platforms that we generally participate in include: cranes, pavers, planers and profilers, dozers, loaders, graders, haulers, tractors, excavators, backhoes, material handling and compactors. Demand in the medium and heavy construction equipment market is typically related to the level of larger-scale infrastructure development projects such as highways, dams, harbors, hospitals, airports and industrial development as well as activity in the mining, forestry and other commodities industries.

Purchasers of medium and heavy construction equipment include construction companies, municipalities, local governments, rental fleet owners, quarrying and mining companies and forestry related industries. Purchasers of light construction equipment include contractors, rental fleet owners, landscapers, logistics companies and farmers. In the medium and heavy construction equipment market, we primarily supply OEMs with our wire harness and seating products.

Agricultural Equipment Market. We market most of our products for small, medium and large agricultural equipment across a spectrum of machines including tractors, sprayers, bailers, farm telehandler equipment and harvesters. Sales and production of these vehicles can be influenced by rising or falling farm commodity prices, land values, profitability, and other factors such as increased mechanization in emerging economies and new uses for crop materials such as biofuels and other factors. In the medium to longer term, a combination of factors create the need for more productive agricultural equipment, such as: (1) population growth, (2) an evolving sophistication of dietary habits, (3) constraints on arable land, and (4) other macroeconomic and demographic factors.

Military Equipment Market. We supply products for heavy- and medium-payload tactical vehicles and complex military communications equipment over multiple product lines that are used by various defense customers. Military equipment production is particularly sensitive to political and governmental budgetary considerations.

Raw Materials and Suppliers

A description of the principal raw materials we utilize in principal product categories are:

Electrical Wire Harnesses, Control Panels, Electro-Mechanical and Cable Assemblies. The principal raw materials used to manufacture our electrical wire harnesses, controls panels, electro-mechanical and cable assemblies include wire and cable, connectors, terminals, switches, relays and various covering techniques involving braided yarn, braided copper, slit and non-slit conduit and molded foam. These raw materials are obtained from multiple suppliers and are generally available, although we have experienced a shortage of certain of these raw materials in the past.

Trim Systems and Components. The principal raw materials used in our Trim are resin and chemical products, foam, vinyl and fabric which are formed and assembled into end products. These raw materials are generally readily available from multiple suppliers.

Cab Structures and Sleeper Boxes. The principal raw materials and components used in our cab structures and sleeper boxes are steel and aluminum. These raw materials are generally readily available and obtained from multiple suppliers.

Mirrors, Wipers and Controls. The principal raw materials used to manufacture our mirrors, wipers and controls are steel, stainless steel, aluminum and rubber, which are generally readily available and obtained from multiple suppliers. We also purchase sub-assembled products, such as motors, for our mirrors, wipers and controls.

Seats and Seating Systems. The principal raw materials used in our Seats include steel, aluminum, resin-based products and foam products and are generally readily available and obtained from multiple suppliers under various supply agreements. Leather, vinyl, fabric and certain other components are also generally readily available and purchased from multiple suppliers.

Our Supply Agreements

Our supply agreements generally provide for fixed pricing but do not require us to purchase any specified quantities. Normally we do not carry inventories of raw materials or finished products in excess of what is reasonably required to meet production and shipping schedules, as well as service requirements. Steel, aluminum, petroleum-based products, copper, resin, foam, fabrics, wire and wire components comprise the most significant portion of our raw material costs. We typically purchase steel, copper and petroleum-based products at market prices that are fixed over varying periods of time. Due to the volatility in pricing over the last several years, we use methods such as market index pricing and competitive bidding to assist in reducing our overall cost. The recent imposition of tariffs on steel and aluminum have impacted the prices of certain of our materials. Implementation of Brexit may result in supply disruptions. We strive to align our customer pricing and material costs to minimize the impact of steel, copper and petrochemical price fluctuations. Certain component purchases and suppliers are directed by our customers, so we generally will pass through directly to the customer cost changes from these components. We generally are not dependent on a single supplier or limited group of suppliers for our raw materials.

Research and Development

Our research and development capabilities offer quality and technologically advanced products to our customers at competitive prices. We offer product styling, product design, specialized simulation and testing and evaluation services that are necessary in today’s global markets. Our capabilities in acoustics, thermal efficiency, benchmarking, multi-axis durability, biomechanics, comfort, prototyping and process prove-out allow us to provide complete integrated solutions to the end-user.

We engage in global engineering, and research and development activities that improve the reliability, performance and cost-effectiveness of our existing products and support the design, development and testing of new products for existing and new applications. We have product design, development, validation and testing centers ("Product Design and Development") in North America, Europe and Asia. We have a global engineering support center in India to provide a cost-effective global engineering resource to certain of our seat facilities.

We believe we are staffed with experienced engineers and have equipment and technology to support early design involvement that results in products that timely meet or exceed the customer’s design and performance requirements, and are more efficient to manufacture. Our ability to support our products and customers with extensive on site involvement enhances our position for bidding on such business. We work aggressively as we strive for our quality and delivery metrics to distinguish us from our competitors.

Generally, we work with our customers’ engineering and development teams at the beginning of the design process for new components and assemblies and systems, or the re-engineering process for existing components and assemblies, in order to leverage production efficiency and quality. Our customers are continuously searching for advanced products while maintaining cost, quality and performance deliverables.

Research and development costs for the years ended December 31, 2019, 2018 and 2017 totaled $9.9 million, $9.5 million and $7.7 million, respectively.

Intellectual Property

Our principal intellectual property consists of product and process technology and a limited number of U.S. and foreign patents, trade secrets, trademarks and copyrights. Although our intellectual property is important to our business operations and in the aggregate constitutes a valuable asset, we do not believe that any single patent, trade secret, trademark or copyright, or group of patents, trade secrets, trademarks or copyrights is critical to the success of our business. Our policy is to seek statutory protection for all significant intellectual property embodied in patents, trademarks and copyrights.

Our major brands include CVG™, Sprague Devices®, Moto Mirror®, RoadWatch®, KAB Seating™, National Seating™, Bostrom Seating®, Stratos™ and FinishTEK™. We believe that our brands are valuable but that our business is not dependent on any one brand. We own U.S. federal trademark registrations for several of our products.

Manufacturing Processes

A description of the manufacturing processes we utilize for each of our principal product categories is set forth below:

Electrical Wire Harnesses, Control Panels, Electro-Mechanical and Cable Assemblies. We utilize several manufacturing techniques to produce our electrical wire harnesses, control panels, electro-mechanical and cable assemblies. Our processes, manual and automated, are designed to produce a wide range of products in short time frames and are electronically and hand tested.

Trim Systems and Components. Our Trim capabilities include injection molding, low-pressure injection molding, urethane molding and foaming processes, compression molding, heavy-gauge thermoforming and vacuum forming as well as various cutting, sewing, trimming and finishing methods.

Cab Structures and Sleeper Boxes. We utilize a wide range of manufacturing processes to produce our cab structures and sleeper boxes and utilize robotic and manual welding techniques in the assembly of these products. Large capacity, fully automated E-coat paint priming systems allow us to provide our customers with a paint-ready cab product. Due to their high cost, full body E-coat systems, such as ours, are rarely found outside of the manufacturing operations of the major OEMs.

Mirrors, Wipers and Controls. We manufacture our mirrors, wipers and controls utilizing a variety of manufacturing processes and techniques. Our mirrors, wipers and controls are primarily assembled utilizing semi-automatic work cells and are electronically tested.

Seats and Seating Systems. Our Seats utilize a variety of manufacturing techniques whereby foam and various other components along with fabric, vinyl or leather are affixed to an underlying seat frame. We also manufacture and assemble seat frames.

We have a broad array of processes to enable us to meet our OEM customers' styling and cost requirements. The vehicle cab is the most significant and appealing aspect to the operator of the vehicle. Each commercial vehicle OEM therefore has unique requirements as to feel, appearance and features.

The end markets for our products can be highly specialized and our customers frequently request modified products in low volumes within an expedited delivery timeframe. As a result, we primarily utilize flexible manufacturing cells at our production facilities. Manufacturing cells are clusters of individual manufacturing operations and work stations. This provides flexibility by allowing efficient changes to the number of operations each operator performs. When compared to the more traditional, less flexible assembly line process, cell manufacturing allows us to better maintain our product output consistent with our OEM customers' requirements and minimize the level of inventory.

When an end-user buys a commercial vehicle, the end-user may specify the seat and other features for that vehicle. Because our Seats are unique, our manufacturing facilities have significant complexity, which we generally manage by building in sequence. We build our Seats as orders are received, and the Seats are delivered to our customers in the sequence in which vehicles come down the assembly line. We have systems in place that allow us to provide complete customized interior kits in boxes that are delivered in sequence. Sequencing reduces our cost of production because it eliminates warehousing costs and reduces waste and obsolescence, thereby offsetting increased labor costs. Several of our manufacturing facilities are strategically located near our customers' assembly facilities, which facilitates this process and minimizes shipping costs.

We employ just-in-time manufacturing and sourcing in our operations to meet customer requirements for faster deliveries and to minimize our need to carry significant inventory levels. We utilize material systems to manage inventory levels and, in certain locations, we have inventory delivered as often as two times per day from a nearby facility based on the previous day's order, which reduces the need to carry excess inventory at our facilities.

Within our cyclical industries, we strive to maintain a certain portion of temporary labor to improve our ability to flex our costs and throughput as required by fluctuating customer demand. We engage our core employees to assist in making our processes efficient.

Seasonality

OEMs close their production facilities around holidays or when demand drops, reducing work days. Our cost structure, to the extent it is variable, provides us with some flexibility during these periods.

Our Customer Contracts, and Sales and Marketing

Our OEM customers generally source business to us pursuant to written contracts, purchase orders or other commitments ("Commercial Arrangements") with terms of price, quality, technology and delivery. Awarded business generally covers the supply of all or a portion of a customer's production and service requirements for a particular product program rather than the supply of a specific quantity of products. In general, these Commercial Arrangements provide that the customer can terminate them if we do not meet specified quality, delivery and cost requirements. Although these Commercial Arrangements may be terminated at any time by our customers (but not by us), such terminations have historically been minimal and have not had a material impact on our results of operations. Because we produce products for a broad cross section of vehicle models, we are not overly reliant on any one vehicle model.

Our Commercial Arrangements with our OEM customers may provide for an annual prospective productivity price reduction. These productivity price reductions are generally calculated on an annual basis as a percentage of the previous year's purchases by each customer. Historically, most of these price reductions have been offset by internal cost reductions and through the assistance of our supply base, although no assurances can be given that we will be able to achieve such reductions in the future. The cost reduction is achieved through engineering changes, material cost reductions, logistics savings, reductions in packaging cost, labor efficiencies and other productivity actions.

Our sales and marketing efforts are designed to create customer awareness of our engineering, design and manufacturing capabilities. Our sales and marketing staff work closely with our design and engineering personnel to prepare the materials used for bidding on new business, as well as to provide an interface between us and our key customers. We have sales and marketing personnel located in every major region in which we operate. From time to time, we participate in industry trade shows and advertise in industry publications.

Our principal customers for our aftermarket sales include OEM dealers and independent wholesale or retail distributors. Our sales and marketing efforts are focused on supporting these two distribution channels, as well as participation in industry trade shows and direct contact with major fleets.

Competition

Within each of our principal product categories we compete with a variety of independent suppliers and with OEMs' in-house operations, primarily on the basis of price, breadth of product offerings, product quality, technical expertise, development capability, product delivery and product service. A summary of our primary competitors is set forth below:

Electrical Wire Harnesses, Control Panels, Electro-Mechanical and Cable Assemblies. We supply a wide range of electrical wire harnesses, control panels, electro-mechanical and cable assemblies used in various commercial and other vehicles and for industrial applications. Our primary competitors finclude large diversified suppliers such as Delphi Automotive PLC, Leoni, Nexans SA, Motherson-Sumi, St. Clair and Electrical Components International as well as many smaller companies.

Trim Systems and Components. We believe we have a good position supplying Trim products to the North American MD/HD Truck market. We compete with a number of competitors with respect to each of our Trim products and components. Our primary competitors are ConMet, International Automotive Components, Superior, Blachford Ltd. and Grupo Antolin.

Cab Structures and Sleeper Boxes. We are a supplier of cab structures and sleeper boxes to the North American MD/HD Truck market. Our primary competitors in this category are Magna, International Equipment Solutions, Worthington Industries, McLaughlin Body Company and Defiance Metal Products.

Mirrors, Wipers and Controls. We are a supplier of mirrors, wipers and controls to the truck, bus, agriculture, construction, rail and military markets in North America and Europe. We compete with various competitors in this category. Our principal competitors for mirrors are Hadley, Retrac, and Lang-Mekra, and our principal competitors for wiper systems are Doga, Wexco, Trico and Valeo.

Seats and Seating Systems. We believe we have a strong market position supplying Seats to the North American MD/HD Truck market. Our primary competitors in the North American commercial vehicle market include Sears Manufacturing Company, Isringhausen, Grammer AG and Seats, Inc. Our primary competitors in the European commercial vehicle market include Grammer AG and Isringhausen; and in the Asia-Pacific region include Isrihuatai, Tiancheng, Harita and Pinnacle.

Competitive Strengths

Generally, the barriers to entry in our business include investment, specific engineering requirements, costs for OEMs to shift production to new suppliers, just-in-time delivery requirements and brand name recognition. Our competitive strengths include the following:

Market Positions and Brands. We believe we have a strong market position supplying Seats and a good market position supplying Trim products to the North American MD/HD Truck market. We believe we have processes in place to design, manufacture and introduce products that meet customers' expectations in the North American MD/HD Truck market. We also believe we are competitive as a global supplier of construction vehicle Seats. Our major product brands include CVG™, Sprague Devices®, Moto Mirror®, RoadWatch®, KAB Seating™, National Seating™, Bostrom Seating®, Stratos™ and FinishTEK™.

Commercial Vehicle Solutions. We manufacture a broad base of products utilized in the interior and the exterior of commercial vehicles. We believe the breadth of our product offerings provide us with a potential opportunity for further customer relationships by bundling our products to provide complete system solutions.

End-User Focused Product Innovation. Commercial vehicle OEMs focus on interior and exterior product design features that better serve the vehicle operator and therefore seek suppliers that can provide product innovation. Accordingly, we have engineering, and research and development capabilities to assist OEMs in meeting those needs. We believe this helps us secure content on new as well as current platforms and models.

Flexible Manufacturing Capabilities. As commercial vehicle OEMs permit their customers to select from an extensive menu of cab options, our end users frequently request modified products in low volumes within a limited time frame. We can leverage our flexible manufacturing capabilities to provide low volume, customized products to meet styling, cost and just-in-time delivery requirements.

Global Capabilities. We have sales, engineering, manufacturing and assembly capabilities in North America, Europe and the Asia-Pacific region that provide a high level of service to our customers who manufacture and sell their products on a global basis.

Relationships with Leading Customers and Major North American Fleets. We have comprehensive product offerings, brand names and product features that enable us to be a global supplier to many of the leading MD/HD Truck, construction and specialty commercial vehicle manufacturers such as PACCAR, Caterpillar, Volvo/Mack, Navistar, Daimler Trucks, John Deere, Oshkosh Corporation, Komatsu and Škoda (part of the Volkswagen Group). In addition, we maintain relationships with the major MD/HD Truck fleets that are end-users of our products such as Schneider National, Werner, Walmart, FedEx and JB Hunt.

Backlog

Our customers may place annual blanket purchase orders that do not obligate them to purchase any specific or minimum amount of products from us until a release is issued by the customer under the blanket purchase order. Releases are typically placed 30 to 90 days prior to required delivery and may be canceled within agreed terms. We do not believe that our backlog of expected product sales covered by firm purchase orders is a meaningful indicator of future sales since orders may be rescheduled or canceled.

Employees

As of December 31, 2019, we had approximately 7,347 permanent employees, of whom approximately 16% were salaried and the remainder were hourly. As of December 31, 2019, approximately 49% of the employees in our North American operations were unionized, with the majority of union-represented personnel based in Mexico. Approximately 71% of our European, Asian and Australian operations were represented by shop steward committees.

We did not experience any material strikes, lockouts or work stoppages during 2019 and consider our relationship with our employees to be satisfactory. On an as-needed basis during peak periods we utilize contract and temporary employees. During periods of weak demand, we respond to reduced volumes through flexible scheduling, furloughs and/or reductions in force as necessary.

Environmental, Social and Governance

CVG is committed to operating in an ethical and sustainable manner that benefits all our stakeholders including customers, employees and the communities we serve. We have established company-wide environmental, human rights and labor rights policies that outline the Company's standards for all business operations. More information on these policies can be found on our website under the caption "About Us - CVG Policies." The following highlights some of our ongoing Environmental, Social and Governance ("ESG") efforts:

Safety. CVG is committed to ensuring the safety and well-being of our employees, customers and communities. The Company maintains an occupational Health and Safety Policy that applies to employees, business partners, customers and the global communities where we operate. CVG and its businesses have invested in programs, technology and training to improve safety throughout our operations which is reflected in our exceptional safety performance. Our annual safety incident rate has consistently been less than 1.0 for the past four years. More information on our Health and Safety Policy can be found on our website under the caption "About Us - CVG Policies."

Quality. CVG's strict quality standards apply to all employees within the CVG organization and extend to all suppliers who wish to do business with CVG. More information on our supplier requirements can be found on our website under the caption "About Us - CVG Policies."

- All requirements and standards stated in the CVG Supplier Quality and Development Requirements Manual pertain to the specific requirements of CVG and all of our facilities.
- We require our suppliers to obtain a copy and maintain compliance with the Quality Management System Requirements of ISO9001:2015.

Environmental. CVG is committed to conducting business in an environmentally conscious manner and reducing our carbon footprint. We contribute to eco-efficiency programs and have adopted energy efficiency programs. We have adopted an enterprise-level environmental policy that can be found on our Company website under the caption "About Us - CVG Policies." Some of our recent achievements and initiatives include:

- Partnering with the U.S. Department of Energy's Better Plants Initiative and establishing a voluntary energy intensity reduction target of 20% over 10 years;
- Contributing to a number of sustainability programs including an LED lighting initiative in our manufacturing facilities;
- Increasing the number of facilities that are ISO 14001 certified to approximately 75% of global manufacturing facilities; and
- Various other initiatives that focus on the conservation of energy and natural resources, the reduction of solid and chemical waste of our operations, the avoidance and prevention of pollution, and the minimization of our overall environmental impact to the communities we operate in.

Community Engagement. Our global teams embrace a wide variety of formal and informal interactions in the communities where we operate. Each facility has an employee engagement committee that helps direct our charitable spend and volunteer hours. Our teams engage with the local communities through different programs or areas of need including local schools, nursing homes, animal shelters, literacy, theater and the arts, first responders, STEM, cancer awareness, veteran affairs, and hunger and homelessness, among others. A comprehensive list of CVG Community Partnerships, the organizations that we support, can be found on our website under the caption "About Us - Partnerships."

Corporate Governance, The Board of Directors has the ultimate responsibility for risk oversight and oversees a Company-wide approach to risk management of ESG. The Board fulfills its oversight responsibilities directly and through delegation to the following committees: Audit, Compensation, and Nominating and Governance. The Company's Corporate Governance Guidelines, Code of Conduct and other Corporate Governance principles are available on the Company's website under the caption "About Us - Executive Management - Governance Documents."

Government Regulations

New emissions regulations were approved in 2016 by US regulators impacting MD/HD Truck manufacturers. The regulations require manufacturers to cut greenhouse gas emissions by 25% by 2027. Other countries are implementing clean air measures to

reduce air pollution. For example, China's Ministry of Environment implemented new standards applicable beginning in 2017 for Stage V vehicles, including light gasoline-powered vehicles, diesel-powered passenger vehicles and heavy diesel-powered vehicles manufactured and sold in China.

Under a California law known as Proposition 65, if the State has determined that a substance causes cancer or harms human reproduction, a warning must appear on any product sold in the state that exposes consumers to that substance. The State maintains lists of these substances and periodically adds other substances to the list. Certain of our products are subject to Proposition 65, which does not provide for any generally applicable quantitative threshold below which the presence of a listed substance is exempt from the warning requirement. Consequently, the detection of even a trace amount of a listed substance can subject an affected product to the requirement of a warning label. We provide warnings on our products in California.

To the extent that current or future governmental regulation has a negative impact on the demand for commercial vehicles, our business, financial condition or results of operations could be adversely affected.

RESTATEMENT OF PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS

On March 12, 2020, the Audit Committee of the Board of Directors of the Company, after considering the recommendations of management, and discussing such recommendations with outside SEC counsel and KPMG, LLP, the Company's independent registered public accounting firm, concluded that our audited consolidated financial statements as of and for the fiscal year ended December 31, 2018, included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and our unaudited consolidated financial statements as of and for the quarterly periods ended March 31, 2019 and 2018, June 30, 2019 and 2018, and September 30, 2019 and 2018, included in our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2019, June 30, 2019 and September 30, 2019, should no longer be relied upon due to misstatements that are described in greater detail in Notes 2 and 19 of the Notes to the Consolidated Financial Statements included within this Annual Report on Form 10-K.

AVAILABLE INFORMATION

We maintain a website on the Internet at www.cvgrp.com. We make available free of charge through our website, by way of a hyperlink to a third-party Securities Exchange Commission ("SEC") filing website, our Annual Reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports electronically filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934. Such information is available as soon as such reports are filed with the SEC. Additionally, our Code of Ethics may be accessed within the Investor Relations section of our website. Information found on our website is not part of this Annual Report on Form 10-K or any other report filed with the SEC.

EXECUTIVE OFFICERS OF REGISTRANT

The following table sets forth certain information with respect to our executive officers as of March 16, 2020:

Name	Age	Principal Position(s)
Patrick E. Miller	52	President, Chief Executive Officer, Director
C. Timothy Trenary	63	Executive Vice President and Chief Financial Officer
Dale M. McKillop	62	Senior Vice President and Managing Director of Trim, Wipers and Structures
Douglas F. Bowen	63	Senior Vice President and Managing Director of Global Seating

The following biographies describe the business experience of our executive officers:

Patrick E. Miller has served as President and Chief Executive Officer and Director since November 2015. Prior to being appointed President and Chief Executive Officer, Mr. Miller, was President of the Company’s Global Truck & Bus Segment. Prior to that, he served in the capacity of Senior Vice President & General Manager of Aftermarket; Senior Vice President of Global Purchasing; Vice President of Global Sales; Vice President & General Manager of North American Truck and Vice President & General Manager of Structures. Prior to joining the Company, Mr. Miller held engineering, sales, and operational leadership positions with Hayes Lemmerz International, Alcoa, Inc. and ArvinMeritor. In December 2018, Mr. Miller was appointed to the board of directors of Federal Signal Corporation. He holds a Bachelor of Science in Industrial Engineering from Purdue University and a Masters of Business Administration from the Harvard University Graduate School of Business.

C. Timothy Trenary has served as Executive Vice President and Chief Financial Officer since October 2013. Mr. Trenary served as Executive Vice President and Chief Financial Officer of ProBuild Holdings LLC, a privately held North American supplier of building materials, from 2010 to 2013. Prior to that, Mr. Trenary served as Senior Vice President & Chief Financial Officer of EMCON Technologies Holdings Limited, a privately held global automotive parts supplier, from 2008 to 2010; and as Vice

President and Chief Financial Officer of DURA Automotive Systems, Inc., a publicly held global automotive parts supplier, from 2007 to 2008. In November 2017, Mr. Trenary became an organizer and in March 2018 became a member of the board of directors of Mi Bank, a de novo community bank in organization. He holds a Bachelor of Accounting with Honors from Michigan State University and a Masters of Business Administration with Honors from the University of Detroit Mercy. Mr. Trenary is a certified public accountant with registered status in Michigan.

Dale M. McKillop has served as Senior Vice President and Managing Director of Trim, Wipers and Structures since 2016. He has been with the Company since 2005 when he joined the Company with the acquisition of Mayflower Vehicle Systems. Mr. McKillop has held positions of increasing responsibility with the company including Managing Director - Structures and Aftermarket, Managing Director - Structures, Director of Operations Trim and Structures, and Plant Manager. Prior to joining Mayflower Vehicle Systems, Mr. McKillop held engineering positions with Pullman Standard from 1978 to 1982. Mr. McKillop holds a Bachelor of Science degree in Business Administration from Gardner Webb University.

Douglas F. Bowen has served as Senior Vice President and Managing Director of Global Seating since November 2018 and previously served as Senior Vice President & Managing Director of Global Construction, Agriculture & Military markets. He joined the Company in June 2017. Prior to joining CVG, Mr. Bowen served as President of the North America and Asia Pacific markets for Dayco Products, LLC for more than 35 years. Mr. Bowen is a graduate of the Citadel, The Military College of South Carolina and holds a Bachelor of Science in Business Administration.

Item 1A. *Risk Factors*

You should carefully consider the risks described below before making an investment decision. These are not the only risks we face.

If any of these risks and uncertainties were to actually occur, our business, financial condition or results of operations could be materially and adversely affected. In such case, the trading price of our common stock could decline and you may lose all or part of your investment.

Risks Related to Our Material Weaknesses and Restatements

Material weaknesses in our internal control over financial reporting could have a significant adverse effect on our business and the price of our common stock.

As a public reporting company, we are subject to the rules and regulations established from time to time by the SEC. These rules and regulations require, among other things, that we have, and periodically evaluate, disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules, regulations and forms, and that such information is accumulated and communicated to our management, including our President and Chief Executive Officer and Chief Financial Officer, as appropriate, to allow decisions regarding required disclosure. Reporting obligations as a public company are likely to continue to burden our financial and management systems, processes and controls, as well as our personnel.

In addition, as a public company, we are required to document and test our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify as to the effectiveness of our internal control over financial reporting. Likewise, our independent registered public accounting firm is required to provide an attestation report on the effectiveness of our internal control over financial reporting.

In connection with the preparation of our financial statements for 2019, we have identified material weaknesses in our internal controls over financial reporting relating to management's risk assessment and review process of manual journal entries and balance sheet account reconciliations. Further, we identified and corrected certain errors as described in Note 2 and 19 to the accompanying financial statements, included in Part II, Item 8 of this Form 10-K. We deemed these corrections to be material to the consolidated financial statements as of and for the fiscal year ended December 31, 2018, included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and our unaudited consolidated financial statements as of and for the quarterly periods ended March 31, 2019 and 2018, June 30, 2019 and 2018, and September 30, 2019 and 2018, included in our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2019, June 30, 2019 and September 30, 2019. As a result, management concluded that our internal controls over financial reporting as of December 31, 2019 were not effective. As described in Part II, Item 9A of this Form 10-K, management is taking steps to remediate the material weaknesses in our internal controls. There can be no assurance that any measures we take will remediate the material weaknesses identified, nor can there be any assurance as to how quickly we will be able to remediate these material weaknesses.

In future periods, if our senior management is unable to remediate the material weaknesses such that they cannot conclude that we have effective internal control over financial reporting, or to certify the effectiveness of such controls, or if our independent registered public accounting firm cannot render an unqualified opinion on management's assessment and the effectiveness of our internal control over financial reporting, or if additional material weaknesses in our internal control over financial reporting are identified, we may be required to again restate our financial statements and could be subject to regulatory scrutiny and sanction, a loss of public and investor confidence, and to litigation from investors, which could have a material adverse effect on our financial position and results of operations.

Furthermore, actions to remediate any material weaknesses, including the ones noted above and in Item 9A of this Annual report on Form 10-K, could require remedial measures, including additional personnel, which could be costly and time-consuming. We may encounter problems or delays in completing the implementation of any remedial actions and receiving a favorable attestation report from our independent registered public accounting firm. If we do not maintain adequate financial and management personnel, processes and controls, we may not be able to manage our business effectively or accurately report our financial performance on a timely basis, which could adversely affect our results of operations and financial condition and cause a decline in our common stock price. Failure to comply with the Sarbanes-Oxley Act could potentially subject us to sanctions or investigations by regulatory authorities, which would likely require additional financial and management resources.

Future Restatements could have a material effect on our business

As part of an internal investigation, the Company discovered material errors in our consolidated financial statements as of and for the fiscal year ended December 31, 2018, included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and our unaudited consolidated financial statements as of and for the quarterly periods ended March 31, 2019 and 2018, June 30, 2019 and 2018, and September 30, 2019 and 2018, included in our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2019, June 30, 2019 and September 30, 2019. As noted above, material weaknesses were also discovered in the Company's internal controls over financial reporting. Having one or more weakness in our internal controls over financial reporting can heighten the chance of failing to discover future errors in the financial statements.

While the Company believes it has identified and corrected all material errors in our financial statements for the restated periods, there can be no assurance that more material errors will not be identified in the future, both in or outside the restated periods. Restatements can lead to reputational harm, litigation, regulatory investigations and sanctions, stock price fluctuation, and significant accounting and legal expenses to address. They also could require significant time and resources from management.

Risks Related to Our Business and Industry

Our results of operations could be materially and adversely affected by downturns in the U.S. and global economy which are naturally accompanied by related declines in freight tonnage hauled and in infrastructure development and other construction projects.

Our results of operations are directly impacted by changes in the U.S. and global economic conditions, which are accompanied by related declines in freight tonnage hauled and in infrastructure development and other construction projects because, among other things:

- Demand for our MD/HD Truck products is generally dependent on the number of new MD/HD Truck commercial vehicles manufactured in North America. Historically, the demand for MD/HD Truck commercial vehicles has declined during periods of weakness in the North American economy.
- Demand for our construction equipment products is dependent on vehicle demand for new commercial vehicles in the global construction equipment market.
- Demand in the medium and heavy-construction vehicle market, which is where our products are primarily used, is typically related to the level of larger-scale infrastructure development projects.

If we experience periods of low demand for our products in the future, it could have a negative impact on our revenues, operating results and financial position.

Volatility and cyclicality in the commercial vehicle market could adversely affect us.

Our profitability depends in part on the varying conditions in the commercial vehicle market. This market is subject to considerable volatility as it moves in response to cycles in the overall business environment and is particularly sensitive to the industrial sector of the economy, which generates a significant portion of the freight tonnage hauled. Sales of commercial vehicles have historically been cyclical, with demand affected by such economic factors as industrial production, construction levels, demand for consumer durable goods, interest rates and fuel costs.

Historically, general weakness in the global economy, but especially the North American economy, and corresponding decline in the need for commercial vehicles has contributed to a downturn in commercial vehicle production. Demand for commercial vehicles depends to some extent on economic and other conditions in a given market and the introduction of new vehicles and technologies. The yearly demand for commercial vehicles may increase or decrease more than overall gross domestic product in markets we serve. Downturns historically have had a material adverse effect on our business. If unit production of commercial vehicles declines in the future it may materially and adversely affect our business and results of operations. Conversely, upswings in the global economy may result in a sharp acceleration in commercial vehicle production. A sharp acceleration in commercial vehicle production may adversely affect our ability to convert the incremental revenue into operating income efficiently.

Natural disasters could adversely affect us.

Natural disasters may also disrupt the commercial vehicle market and materially and adversely affect global production levels in our industry. The impact from disasters resulting in wide-spread destruction may not be immediately apparent. It is particularly difficult to assess the impact of catastrophic losses on our suppliers and end customers, who themselves may not fully understand the impact of such events on their businesses. Accordingly, there is no assurance our results of operations will not be materially affected as a result of the impact of future natural disasters.

We may be unable to successfully implement our business strategy and, as a result, our businesses and financial position and results of operations could be materially and adversely affected.

Our ability to achieve our business and financial objectives is subject to a variety of factors, many of which are beyond our control. For example, we may not be successful in implementing our strategy if unforeseen factors emerge diminishing the current levels or any future expected growth in the commercial vehicle markets we supply, or we experience increased pressure on our margins. In addition, we may not succeed in integrating strategic acquisitions, and our pursuit of additional strategic acquisitions may lead to resource constraints, which could have a negative impact on our ability to meet customers' demands, thereby adversely affecting our relationships with those customers. Similarly, strategic divestitures involve special risks and could have an adverse effect on our results of operations and financial condition. As a result of such business or competitive factors, we may decide to alter or discontinue aspects of our business strategy and may adopt alternative or additional strategies. Any failure to successfully implement our business strategy could materially and adversely affect our business, results of operations and growth potential.

We may be unable to complete strategic acquisitions or we may encounter unforeseen difficulties in integrating acquisitions.

We may pursue acquisition targets that will allow us to continue to expand into new geographic markets, add new customers, provide new products, manufacturing and service capabilities and increase penetration with existing customers. However, we expect to face competition for acquisition candidates, which may limit the number of our acquisition opportunities and may lead to higher acquisition prices. Moreover, acquisition of businesses may require additional debt and/or equity financing, perhaps resulting in additional leverage and/or shareholder dilution. The covenants relating to our debt instruments may further limit our ability to complete acquisitions. There can be no assurance we will find attractive acquisition candidates or successfully integrate acquired businesses into our existing business. If the expected synergies from acquisitions do not materialize or we fail to successfully integrate such new businesses into our existing businesses, our results of operations could also be materially and adversely affected.

Circumstances associated with our acquisition and divestiture strategy could adversely affect our results of operations and financial condition.

From time to time, we pursue acquisition targets to expand or complement our business. Acquisitions involve risks, including the risk that we may overpay for a business or are unable to obtain in a timely manner, or at all, the synergies and other expected benefits from acquiring a business. Integrating acquired businesses also involves a number of special risks, including the following:

- the possibility that management's attention may be diverted from regular business concerns by the need to integrate operations;
- problems assimilating and retaining the management or employees of the acquired company or the Company's employees following an acquisition;
- accounting issues that could arise in connection with, or as a result of, the acquisition of the acquired company, including issues related to internal control over financial reporting;
- regulatory or compliance issues that could exist for an acquired company or business;
- challenges in retaining the customers of the combined businesses;
- the potential of lawsuits challenging the Company's decisions; and
- potential adverse short-term effects on results of operations through increased costs or otherwise.

If we are unable to successfully complete and integrate strategic acquisitions in a timely manner, our results of operations and financial condition could be adversely affected.

With respect to divestitures, from time to time we evaluate the performance and strategic fit of our businesses and may decide to sell a business or product line based on such an evaluation. Any divestitures may result in significant write-offs, including those related to goodwill and other tangible and intangible assets, which could have an adverse effect on our results of operations and financial condition. Divestitures could involve additional risks, including the following:

- difficulties in the separation of operations, services, products and personnel;
- the diversion of management's attention from other business concerns;
- the assumption of certain current or future liabilities in order to induce a buyer to complete the divestiture;
- the disruption of our business;
- the potential of lawsuits challenging the Company's decisions;
- the potential loss of key employees; and
- the proper allocation of shared costs.

We may not be successful in managing these or any other significant risks that we may encounter in divesting a business or product line and our results of operations and financial condition may be adversely affected.

Our customer base is concentrated and the loss of business from a major customer or the discontinuation of particular commercial vehicle platforms could reduce our revenues.

Sales to A.B. Volvo, Daimler and PACCAR accounted for approximately 22%, 17% and 11%, respectively, of our revenue in 2019, and our ten largest customers accounted for approximately 76% of our revenue in 2019. Even though we may be selected as the supplier of a product by an OEM for a particular vehicle, our OEM customers issue blanket purchase orders, which generally provide for the supply of that customer's annual requirements for that vehicle, rather than for a specific number of our products. If the OEM's requirements are less than estimated, the number of products we sell to that OEM will be accordingly reduced. In addition, the OEM may terminate its purchase orders with us at any time. The loss of any of our largest customers or the loss of significant business from any of these customers could have a material adverse effect on our business, financial condition and results of operations.

Our profitability could be adversely affected if the actual production volumes for our customers' vehicles are significantly lower than expected.

We incur costs and make capital expenditures based in part upon estimates of production volumes for our customers' vehicles. While we attempt to establish a price for our components and systems that will compensate for variances in production volumes, if the actual production of these vehicles is significantly less than anticipated, our gross margin on these products would be adversely affected. We enter into agreements with our customers at the beginning of a given platform's life to supply products for that platform. Once we enter into such agreements, fulfillment of the supply requirements is our obligation for the entire production life of the platform, with terms generally ranging from five to seven years, and we have limited provisions to terminate such contracts. We may become committed to supply products to our customers at selling prices that are not sufficient to cover the direct cost to produce such products. We cannot predict our customers' demands for our products. If customers representing a significant amount of our revenues were to purchase materially lower volumes than expected, or if we are unable to keep our commitment under the agreements, it would have a material adverse effect on our business, financial condition and results of operations.

Our major OEM customers may exert significant influence over us.

The commercial vehicle component supply industry has traditionally been highly fragmented and serves a limited number of large OEMs. As a result, OEMs have historically had a significant amount of leverage over their outside suppliers. Generally, our contracts with major OEM customers provide for an annual productivity price reduction. Historically, we have been able to generally mitigate these customer-imposed price reduction requirements through product design changes, increased productivity and similar programs with our suppliers. However, if we are unable to generate sufficient production cost savings in the future to offset these price reductions, our gross margin and profitability would be adversely affected. Additionally, we generally do not have clauses in our customer agreements that guarantee that we will recoup the design and development costs that we incurred to develop a product. In other cases, we share the design costs with the customer and thereby have some risk that not all the costs will be covered if the project does not go forward or if it is not as profitable as expected.

In addition, changes in OEMs' purchasing policies or payment practices could have an adverse effect on our business. Furthermore, due to the cost focus of our major customers, we have been, and expect to continue to be, requested to reduce prices as part of our initial business quotations and over the life of vehicle platforms we have been awarded. We cannot be certain that we will be able to generate cost savings and operational improvements in the future that are sufficient to offset price reductions requested by existing customers and necessary to win additional business.

Demand for our products could also be materially reduced if our customers vertically integrate their operations in a significant manner, which would have a material and adverse impact on our business and results of operations.

We are subject to certain risks associated with our foreign operations.

We have operations in the Mexico, China, United Kingdom, Czech Republic, Ukraine, Belgium, Australia, India and Thailand, which collectively accounted for approximately 18% of our total revenues for the year ended December 31, 2019 . There are certain risks inherent in our international business activities including, but not limited to:

- the difficulty of enforcing agreements and collecting receivables through certain foreign legal systems;
- foreign customers, who may have longer payment cycles than customers in the U.S.;
- foreign currency exchange rate fluctuations affecting our ability to match revenue received with costs;
- tax rates in certain foreign countries, which may exceed those in the U.S., withholding requirements or the imposition of tariffs, exchange controls or other restrictions, including restrictions on repatriation, on foreign earnings;
- intellectual property protection difficulties;
- general economic and political conditions, along with major differences in business culture and practices, including the challenges of dealing with business practices that may impact the company's compliance efforts, in countries where we operate;
- exposure to local social unrest, including any resultant acts of war, terrorism or similar events;
- the difficulties associated with managing a large organization spread throughout various countries; and
- complications in complying with a variety of laws and regulations related to doing business with and in foreign countries, some of which may conflict with U.S. law or may be vague or difficult to comply with.

Additionally, our international business activities are also subject to risks arising from violations of U.S. laws such as the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws in other jurisdictions, and various export control and trade embargo laws and regulations, including those which may require licenses or other authorizations for transactions relating to certain countries and/or with certain individuals identified by the U.S. government. If we fail to comply with applicable laws and regulations, we could suffer civil and criminal penalties that could materially and adversely affect our results of operations and financial condition.

As we expand our business on a global basis, we are increasingly exposed to these risks. Our success will be dependent, in part, on our ability to anticipate and effectively manage these and other risks associated with foreign operations. These and other factors may have a material adverse effect on our international operations, business, financial condition and results of operations.

The U.K.'s exit from the European Union (EU) could materially and adversely impact our results of operations, financial condition and cash flows.

On January 31, 2020, the U.K. formally exited from the EU ("Brexit") and a transition period is in place until December 31, 2020 during which the U.K. will maintain access to the EU single market and to the global trade deals negotiated by the EU on behalf of its members and remain subject to EU law. Brexit has had an adverse impact on the U.K.'s economy. Uncertainty regarding the future relationship between the U.K. and the EU likely will continue to have an adverse impact on the U.K.'s economy until the U.K. and the EU reach a definitive resolution on the outstanding trade and legal matters. Although it is unknown what the terms of the U.K.'s future relationship with the EU will be, it is possible that there will be higher tariffs or greater restrictions on imports and exports between the U.K. and the EU and increased regulatory complexities following the transition period. These factors could potentially disrupt our supply chain, including delays of imports and exports, limited access to human capital within some of the target markets and jurisdictions in which we operate and adverse changes to tax benefits or liabilities in these and other jurisdictions. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations, including with respect to emissions and similar certifications, as the U.K. determines which EU laws to replace or replicate. Brexit also could lead to long-term volatility in the currency markets, long-term adverse effects on the value of the British pound and significant volatility in currency exchange rates. Any of these effects of Brexit, among others, could have a material adverse impact on our business operations, results of operations and financial condition.

We are subject to certain risks associated with our Mexican operations

In December 2018, the newly elected Mexican government announced new minimum wage requirements per the Mexican labor laws. Under the new requirements, Mexico will have two minimum wages: one rate applicable to municipalities located on the border with the United States, which were included in a newly created Northern Border Free Trade Zone, and a different rate applicable to the rest of Mexico.

Along with the new requirements, the Mexican National Minimum Wage Commission announced the following new minimum wages, which have been in effect since January 1, 2019: Pesos. 176.72 per day for municipalities in the Northern Border Free Trade Zone, a 100% increase from the minimum wage of Pesos. 88.36 per day in effect prior to January 1, 2019, and Pesos. 102.68 per day for the rest of Mexico, a 16.2% increase from the prior minimum wage. We have facilities in the Northern Border Free Trade Zone that are affected by the 100% increase in minimum wage and we have complied with the new requirements. We are uncertain if the increase in the affected employee's minimum wage will flow through the entire compensation structure of our employees in our facilities in Mexico creating additional costs and any labor shortages resulting from our failure to adjust the entire compensation structure over and above the incremental minimum wage. Additionally, we are uncertain if we will be successful in passing through the related incremental cost to our customers and there can be no assurance our results of operations will not continue to be materially affected as a result of the impact of such incremental cost.

Significant changes to international trade regulations could adversely affect our results of operations.

Our business benefits from current free trade agreements and other duty preference programs, including the North American Free Trade Agreement ("NAFTA"). The U.S. government has negotiated the US-Mexico-Canada Agreement (the "USMCA") as a replacement for NAFTA. The USMA has been ratified by the Untied States and Mexico, but will not become binding unless and until Canada ratifies the agreement. The U.S. government has indicated that it may propose significant changes to other international trade agreements, import and export regulations, and tariffs and customs duties, which have increased uncertainty regarding the future of existing international trade regulations. The imposition of tariffs on the products we manufacture and sell could have a material and adverse impact on our business, financial condition and results of operations. Additionally, if the U.S. President or Congress takes action to withdraw from or materially modify NAFTA or USMCA, our business, financial condition and results of operations could be adversely affected. In addition, the Trump administration has called for substantial changes to U.S. foreign trade policy, including the imposition of greater restrictions on international trade and significant increases in tariffs on goods imported into the United States, and has increased tariffs on certain goods imported into the United States from a number of foreign markets, following which retaliatory tariffs have been imposed on exports of certain U.S. goods to those markets. These tariffs and any further escalation of protectionist trade measures could adversely affect the markets in which we sell our products and, in turn, our business, financial condition, operating results, and cash flows.

Decreased availability or increased costs of materials could increase our costs of producing our products.

We purchase raw materials, fabricated components, assemblies and services from a variety of suppliers. Steel, aluminum, petroleum-based products, copper, resin, foam, fabrics, wire and wire components account for the most significant portion of our raw material costs. Although we currently maintain alternative sources for most raw materials, from time to time, however, the prices and availability of these materials fluctuate due to global market demands and other considerations, which could impair the Company's ability to procure necessary materials, or increase the cost of such materials. We may be assessed surcharges on certain purchases of steel, copper and other raw materials. Inflationary and other increases in costs of these materials have occurred in the past and may recur from time to time. In addition, freight costs associated with shipping and receiving product are impacted by fluctuations in freight tonnage, freight hauler capacity and the cost of oil and gas. If we are unable to purchase certain raw materials required for our operations, our operations would be disrupted, and our results of operations would be adversely affected. In addition, if we are unable to pass on the increased costs of raw materials to our customers, this could adversely affect our results of operations and financial condition.

The recent imposition of tariffs on steel and aluminum have impacted the prices of certain of our materials. Uncertainty exists regarding whether these tariffs will remain in place or be removed or reduced. If these tariffs are continued or expanded, they could result in material increases in our costs.

We have invested substantial resources in markets where we expect growth and we may be unable to timely alter our strategies should such expectations not be realized.

Our future growth is dependent in part on our making the right investments at the right time to support product development and manufacturing capacity in areas where we can support our customer base. We have identified the Asia-Pacific region as key markets likely to experience substantial growth in our market share, and accordingly have made and expect to continue to make substantial investments, both directly and through participation in various partnerships and joint ventures, in numerous manufacturing operations, technical centers and other infrastructure to support anticipated growth in the region. If we are unable to maintain, deepen existing and develop additional customer relationships in these regions, we may not only fail to realize expected rates of return on our existing investments, we may also incur losses on such investments and be unable to timely redeploy the invested capital to take advantage of other markets, potentially resulting in lost market share to our competitors. We cannot guarantee that we will be successful in leveraging our capabilities into new markets and thus, in meeting the needs of these new customers and competing favorably in these new markets. Our results will also suffer if these regions do not grow as quickly as we anticipate.

Our inability to compete effectively in the highly competitive commercial vehicle component supply industry could result in lower prices for our products, loss of market share and reduced gross margins, which could have an adverse effect on our revenues and operating results.

The commercial vehicle component supply industry is highly competitive. Some of our competitors are companies that are larger and have greater financial and other resources than we do. In some cases, we compete with divisions of our OEM customers. Our products primarily compete on the basis of price, breadth of product offerings, product quality, technical expertise, development capability, product delivery and product service. Increased competition may lead to price reductions resulting in reduced gross margins and loss of market share.

Current and future competitors may make strategic acquisitions or establish cooperative relationships among themselves or with others, foresee the course of market development more accurately than we do, develop products that are superior to our products, produce similar products at lower cost than we can, or adapt more quickly to new technologies, industry or customer requirements. By doing so, they may enhance their ability to meet the needs of our customers or potential future customers more competitively. These developments could limit our ability to obtain revenues from new customers or maintain existing revenues from our customer base. We may not be able to compete successfully against current and future competitors and our failure to do so may have a material adverse effect on our business, operating results and financial condition.

We may be unable to successfully introduce new products and, as a result, our business, and financial condition and results of operations could be materially and adversely affected.

Product innovations have been and will continue to be a part of our business strategy. We believe it is important we continue to meet our customers' demands for product innovation, improvement and enhancement, including the continued development of new-generation products, and design improvements and innovations that improve the quality and efficiency of our products. However, such development will require us to continue to invest in research and development and sales and marketing. We are also subject to the risks generally associated with product development, including lack of market acceptance, delays in product development and failure of products to operate properly. In addition, our competitors may develop new products before us or may produce similar products that compete with our new products. We may, as a result of these factors, be unable to meaningfully focus on product innovation as a strategy and may therefore be unable to meet our customers' demands for product innovation, which could have a material adverse effect on our business, operating results and financial condition.

Our products may be rendered less attractive by changes in competitive technologies, including the introduction of autonomous vehicles.

Changes in competitive technologies, including the introduction of autonomous vehicles, may render certain of our products less attractive. Our ability to anticipate changes in technology and to successfully develop and introduce new and enhanced products on a timely basis will be a significant factor in our ability to remain competitive. There can be no assurance that we will be able to achieve the technological advances that may be necessary for us to remain competitive. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly, all of which could adversely affect our business, results of operations and growth potential.

We could experience disruption in our supply or delivery chain, which could cause one or more of our customers to halt or delay production.

We, as with other component manufactures in the commercial vehicle industry, sometimes ship products to the customers throughout the world so they are delivered on a "just-in-time" basis in order to maintain low inventory levels. Our suppliers (external suppliers as well as our own production sites) also sometimes use a similar method. This just-in-time method makes the logistics supply chain in our industry very complex and very vulnerable to disruptions.

The potential loss of one of our suppliers or our own production sites could be caused by a myriad of potential problems, such as closures of one of our own or one of our suppliers' plants or critical manufacturing lines due to bankruptcy, strikes, mechanical breakdowns, equipment failure, electrical outages, fires, explosions, political upheaval, as well as logistical complications due to weather, volcanic eruptions, earthquakes, flooding or other natural disasters, Acts of God, epidemics, mechanical failures, delayed customs processing and more. Additionally, as we expand in growth markets, the risk for such disruptions is heightened. The lack of even a small single subcomponent necessary to manufacture one of our products, for whatever reason, could force us to cease production, possibly for a prolonged period. In the event of a reduction or stoppage in production at any of our facilities, even if only temporary, or if we experience delays as a result of events that are beyond our control, delivery times to our customers could be severely affected. Any significant delay in deliveries to our customers could lead to increased returns or cancellations. Similarly, a potential quality issue could force us to halt deliveries. Even where products are ready to be shipped or have been shipped, delays

may arise before they reach our customer. Our customers may halt or delay their production for the same reason if one of their other suppliers fails to deliver necessary components. This may cause our customers to suspend their orders or instruct us to suspend delivery of our products, which may adversely affect our financial performance. When we cease timely deliveries, we have to absorb our own costs for identifying and solving the root cause problem as well as expeditiously producing replacement components or products. Generally, we must also carry the costs associated with "catching up," such as overtime and premium freight.

Additionally, if we are the cause for a customer being forced to halt production the customer may seek to recoup all of its losses and expenses from us. These losses and expenses could be very significant and may include consequential losses such as lost profits. Thus, any supply chain disruption, however small, could potentially cause the complete shutdown of an assembly line of one of our customers, and any such shutdown could expose us to material claims for compensation. Where a customer halts production because of another supplier failing to deliver on time, we may not be fully compensated, if at all, and therefore our business and financial results could be materially and adversely affected.

We face risks related to health epidemics that could impact our sales and operating results.

Our business could be adversely affected by the effects of a widespread outbreak of contagious disease, including the recent outbreak of respiratory illness in several countries. Any outbreak of contagious diseases, and other adverse public health developments could adversely affect our operations and the operations and production capabilities of our suppliers, including as a result of quarantine or closure. The extent to which the recent respiratory illness outbreak in the various countries may affect our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the outbreak and the actions to contain the outbreak or treat its effects, among others. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could affect demand for our products and significantly impact our operating results.

Security breaches and other disruptions could compromise our information systems and expose us to liability, which could cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data, including intellectual property, financial information, our proprietary business information and that of our customers, suppliers and business partners, and personally identifiable information of our customers and employees, in our data centers and on our networks. The secure processing, maintenance and transmission of this information is critical to our operations and business strategy. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfunction, malfeasance or other disruptions. Like most companies, our systems are under attack on a routine basis. At times there are breaches of our security measures. While past breaches have not been material, there is no guarantee that future breaches could not have a material impact. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disrupt our operations and the services we provide to customers, damage our reputation, and cause a loss of confidence in our products and services, which could adversely affect our business and our results of operations.

If we are unable to recruit or retain senior management and other skilled personnel, our business, operating results and financial condition could be materially and adversely affected.

Our operations depend to a large extent on the efforts of our senior management team as well as our ability to attract, train, integrate and retain highly skilled personnel. We seek to develop and retain an effective management team through the proper positioning of existing key employees and the addition of new management personnel where necessary. Retaining personnel with the right skills at competitive wages can be difficult in certain markets in which we are doing business, particularly those locations that are seeing much inbound investment and have highly mobile workforces. Additionally, attracting sufficiently well-educated and talented management, especially middle-management employees, in certain markets can be challenging.

We may not be able to retain our current senior management and other skilled personnel or attain similarly skilled personnel in the future. If we lose senior management or the services of our skilled workforce, or if we are unable to attract, train, integrate and retain the highly skilled personnel we need, our business, operating results and financial condition could be materially and adversely affected.

We may be adversely impacted by labor strikes, work stoppages and other matters.

As of December 31, 2019, approximately 49% of the employees in our North American operations were unionized, with the majority of union-represented personnel based in Mexico. We have experienced limited unionization efforts at certain of our other North American facilities from time to time. In addition, approximately 71% of our employees of our European, Asian and Australian

operations were represented by a shop steward committee, which may limit our flexibility in our relationship with these employees. We may encounter future unionization efforts or other types of conflicts with labor unions or our employees.

Many of our OEM customers and their suppliers also have unionized work forces. Work stoppages or slow-downs experienced by OEMs or their other suppliers could result in slow-downs or closures of assembly plants where our products are included in assembled commercial vehicles. In the event that one or more of our customers or their suppliers experience a material work stoppage, such work stoppage could have a material adverse effect on our business.

Our earnings may be adversely affected by changes to the carrying values of our tangible and intangible assets as a result of recording any impairment charges deemed necessary.

We are required to perform impairment tests whenever events and circumstances indicate the carrying value of certain assets may not be recoverable. We cannot accurately predict the amount and timing of any impairment of assets. A significant amount of judgment is involved in determining if an indication of impairment exists. Factors that may be considered in assessing whether goodwill or other long-lived assets may not be recoverable include a decline in our stock price or market capitalization, reduced estimates of future cash flows, the general economic environment, changes or downturns in our industry as a whole, termination of any of our customer contracts, restructuring efforts and general workforce reductions. A continued decline in our stock price may trigger an evaluation of the recoverability of the recorded goodwill and other long-lived assets. Any charge for impairment could materially and adversely affect our reported net income and our stockholders' equity.

We have taken, are taking, and may take future restructuring actions to realign and resize our production capacity and cost structure to meet current and projected operational and market requirements. Charges related to these actions or any further restructuring actions may have a material adverse effect on our results of operations and financial condition. There can be no assurance that any current or future restructuring will be completed as planned or achieve the desired results. The failure to complete restructuring as planned could materially and adversely affect our results of operations.

We have established and may establish in the future valuation allowances on deferred tax assets. These changes may have a material adverse effect on our results of operations and financial position.

Additionally, from time to time in the past, we have recorded asset impairment losses relating to specific plants and operations. Generally, we record asset impairment losses when we determine that our estimates of the future undiscounted cash flows from an operation will not be sufficient to recover the carrying value of that facility's building, fixed assets and production tooling. For goodwill, we perform a qualitative assessment of whether it is more likely than not that the reporting unit's fair value is less than its carrying amount. If the fair value of the reporting unit is less than its carrying amount, we compare its implied fair value of goodwill to its carrying amount. If the carrying amount of goodwill exceeds its implied fair value, the reporting unit would recognize an impairment loss for that excess amount. Factors that may be considered in assessing whether goodwill or other long-lived assets may not be recoverable include a decline in our stock price or market capitalization, reduced estimates of future cash flows, the general economic environment, changes or downturns in our industry as a whole, termination of any of our customer contracts, restructuring efforts and general workforce reductions. There can be no assurance that we will not incur such charges in the future as changes in economic or operating conditions impacting the estimates and assumptions could result in additional impairment. Any future impairments may materially and adversely affect our results of operations.

Our inability to successfully achieve operational efficiencies could result in the incurrence of additional costs and expenses that could adversely affect our reported earnings.

As part of our business strategy, we continuously seek ways to lower costs, improve manufacturing efficiencies and increase productivity in our existing operations and intend to apply this strategy to those operations acquired through acquisitions. In addition, we incur restructuring charges periodically to close facilities, such as lease termination charges, severance charges and impairment charges of leasehold improvements and/or machinery and equipment, as we continue to evaluate our manufacturing footprint to improve our cost structure and remove excess, underperforming assets, or assets that no longer fit our goals. If we decide to close or consolidate facilities, we may face execution risks which could adversely affect our ability to serve our customers. Further, we may be unsuccessful in achieving these objectives which could adversely affect our operating results and financial condition.

Additionally, aspects of the data upon which the company's business strategy is based may be incomplete or unreliable, which could lead to errors in the strategy, which in turn could adversely affect the company's performance. Also, not all business strategy

can be based on data, and to the extent that it is based on assumptions and judgments that are untested, then it could be unsound and thereby lead to performance below expectations.

Tax legislation initiatives or challenges to our tax positions could adversely affect our results of operations and financial condition.

We are a multinational corporation with operations in the United States and international jurisdictions. As such, we are subject to the tax laws and regulations of the U.S. federal, state and local governments and various international jurisdictions. From time to time, various legislative initiatives may be proposed that could adversely affect our tax positions. There can be no assurance that our effective tax rate or tax payments will not be adversely affected by these initiatives. In addition, U.S. federal, state and local, as well as international, tax laws and regulations are extremely complex and subject to varying interpretations. There can be no assurance that our tax position will not be challenged by relevant tax authorities or that we would be successful in any such challenge.

The geographic profile of our taxable income could adversely impact our tax provision and therefore our results of operations.

Our future tax provision could be adversely affected by the geographic profile of our taxable income and by changes in the valuation of our deferred tax assets and liabilities. Our results could be materially impacted by significant changes in our effective tax rate. Additionally, any changes to manufacturing activities could result in significant changes to our effective tax rate related to products manufactured either in the United States or in international jurisdictions. If the United States or another international jurisdiction implements a tax change related to products manufactured in a particular jurisdiction where we do business, our results could be materially and adversely affected.

Exposure to currency exchange rate fluctuations on cross border transactions and translation of local currency results into United States dollars could materially impact our results of operations.

Cross border transactions, both with external parties and intercompany relationships, result in increased exposure to foreign currency fluctuations. The strengthening or weakening of the United States dollar may result in favorable or unfavorable foreign currency translation effects in as much as the results of our foreign locations are translated into United States dollars. This could materially impact our results of operations.

Litigation against us could be costly and time consuming to defend, as a result, our businesses and financial position could be materially and adversely affected.

We are regularly subject to legal proceedings and claims that arise in the ordinary course of business, such as workers' compensation claims, Occupational Safety and Health Administration investigations, employment disputes, unfair labor practice charges, examination by the IRS, customer and supplier disputes, contractual disputes, intellectual property disputes, environmental claims and product liability claims arising out of the conduct of our business. While we maintain insurance, we cannot assure you that it will be sufficient to cover such proceedings and claims, that any costs and liability arising therefrom will not exceed our insurance coverage limits or that such insurance will continue to be available on commercially reasonable terms, if at all. Litigation may result in substantial costs and may divert management's attention and resources from the operation of our business, which could have a material adverse effect on our business, results of operations or financial condition.

We have only limited protection for our proprietary rights in our intellectual property, which makes it difficult to prevent third parties from infringing upon our rights and our operations could be limited by the rights of others.

Our success depends to a certain degree on our ability to protect our intellectual property and to operate without infringing on the proprietary rights of third parties. While we have been issued patents and have registered trademarks with respect to many of our products, our competitors could independently develop similar or superior products or technologies, duplicate our designs, trademarks, processes or other intellectual property or design around any processes or designs on which we have or may obtain patents or trademark protection. In addition, it is possible third parties may have or acquire licenses for other technology or designs that we may use or desire to use, requiring us to acquire licenses to, or to contest the validity of, such patents or trademarks of third parties. Such licenses may not be made available to us on acceptable terms, if at all, or we may not prevail in contesting the validity of third party rights.

In addition to patent and trademark protection, we also protect trade secrets, "know-how" and other confidential information against unauthorized use or disclosure by persons who have access to them, such as our employees and others, through contractual arrangements. These arrangements may not provide meaningful protection for our trade secrets, know-how or other confidential information in the event of any unauthorized use, misappropriation or disclosure. If we are unable to maintain the proprietary

nature of our technologies, trade secrets, know-how, or other confidential information, our revenues could be materially and adversely affected.

As we diversify and globalize our geographic footprint, we may encounter laws and practices in emerging markets that are not as stringent or enforceable as those present in developed markets, and thus incur a higher risk of intellectual property infringement, which could materially and adversely affect our results of operations.

Our products may be susceptible to claims by third parties that our products infringe upon their proprietary rights.

As the number of products in our target markets increases and the functionality of these products further overlaps, we may become increasingly subject to claims by a third party that our technology infringes such party's proprietary rights. Regardless of their merit, any such claims could be time consuming and expensive to defend, may divert management's attention and resources, could cause product shipment delays and could require us to enter into costly royalty or licensing agreements. If successful, a claim of infringement against us and our inability to license the infringed or similar technology and/or product could have a material adverse effect on our business, operating results and financial condition.

We may be subject to product liability claims, recalls or warranty claims, which could be expensive, damage our reputation and result in a diversion of management resources.

As a supplier of products and systems to commercial and construction vehicle OEMs and markets, we face an inherent business risk of exposure to product liability claims in the event that our products, or the equipment into which our products are incorporated, malfunction and result in injury to person or property or death. Product liability claims could result in significant losses as a result of expenses incurred in defending claims or the award of damages.

In addition, we may be required to participate in recalls involving systems or components sold by us if any prove to be defective, or we may voluntarily initiate a recall or make payments related to such claims as a result of various industry or business practices or the need to maintain good customer relationships. Such a recall would result in a diversion of management resources. While we maintain product liability insurance generally with a self-insured retention amount, we cannot assure you that it will be sufficient to cover all product liability claims, that such claims will not exceed our insurance coverage limits or that such insurance will continue to be available on commercially reasonable terms, if at all. Any product liability claim brought against us could have a material adverse effect on our results of operations.

We warrant the workmanship and materials of many of our products under limited warranties and have entered into warranty agreements with certain OEMs that warranty certain of our products in the hands of these OEMs' customers, in some cases for many years. From time to time, we receive product warranty claims from our customers, pursuant to which we may be required to bear costs of repair or replacement of certain of our products. Accordingly, we are subject to risk of warranty claims in the event that our products do not conform to our customers' specifications or, in some cases in the event that our products do not conform to their customers' expectations. It is possible for warranty claims to result in costly product recalls, significant repair costs and damage to our reputation, all of which would materially and adversely affect our results of operations.

Our businesses are subject to statutory environmental and safety regulations in multiple jurisdictions, and the impact of any changes in regulation and/or the violation of any applicable laws and regulations by our businesses could result in a material adverse effect on our financial condition and results of operations.

We are subject to foreign, federal, state, and local laws and regulations governing the protection of the environment and occupational health and safety, including laws regulating air emissions, wastewater discharges, generation, storage, handling, use and transportation of hazardous materials; the emission and discharge of hazardous materials into the soil, ground or air; and the health and safety of our colleagues. We are also required to obtain permits from governmental authorities for certain of our operations. We cannot assure you that we are, or have been, in complete compliance with such environmental and safety laws, and regulations. Certain of our operations generate hazardous substances and wastes. If a release of such substances or wastes occurs at or from our properties, or at or from any offsite disposal location to which substances or wastes from our current or former operations were taken, or if contamination is discovered at any of our current or former properties, we may be held liable for the costs of cleanup and for any other response by governmental authorities or private parties, together with any associated fines, penalties or damages. In most jurisdictions, this liability would arise whether or not we had complied with environmental laws governing the handling of hazardous substances or wastes.

Several of our facilities are either certified as, or are in the process of being certified as ISO 9001, 14000, 14001 or TS16949 (the international environmental management standard) compliant or are developing similar environmental management systems. We have made, and will continue to make, capital and other expenditures to implement such environmental programs and comply with environmental requirements.

The environmental laws to which we are subject have become more stringent over time, and we could incur material costs or expenses in the future to comply with environmental laws. If we violate or fail to comply with these laws and regulations or do

not have the requisite permits, we could be fined or otherwise sanctioned by regulators. In some instances, such a fine or sanction could have a material adverse effect on our financial condition and results of operations.

We may be adversely affected by the impact of government regulations on our OEM customers.

Although the products we manufacture and supply to commercial vehicle OEMs are not subject to significant government regulation, our business is indirectly impacted by the extensive governmental regulation applicable to commercial vehicle OEMs. These regulations primarily relate to emissions and noise standards imposed by the Environmental Protection Agency ("EPA"), state regulatory agencies in North America, such as the California Air Resources Board ("CARB"), and other regulatory agencies around the world. Commercial vehicle OEMs are also subject to the National Traffic and Motor Vehicle Safety Act and Federal Motor Vehicle Safety Standards promulgated by NHTSA in the U.S. Changes in emission standards and other proposed governmental regulations could impact the demand for commercial vehicles and, as a result, indirectly impact our operations. For example, new emission standards for truck engines used in Class 5 to 8 trucks imposed by the EPA and CARB became effective in 2010. In 2011, the EPA and NHTSA adopted a program to reduce greenhouse gas emissions and improve the fuel efficiency of medium-and heavy-duty vehicles. To the extent that current or future governmental regulation has a negative impact on the demand for commercial vehicles, our business, financial condition or results of operations could be adversely affected.

Risks Related to Our Indebtedness

The agreement governing our senior secured revolving credit facility and the agreement governing our senior secured term loan credit facility contain covenants that may restrict our current and future operations, particularly our ability to respond to changes in our business or to take certain actions. If we are unable to comply with these covenants, our business, results of operations and liquidity could be materially and adversely affected.

Our senior secured revolving and term loan credit facilities require us to maintain certain financial ratios and to comply with various operational and other covenants. If we do not comply with those covenants, we would be precluded from borrowing under the senior secured revolving credit facility, which could have a material adverse effect on our business, financial condition and liquidity. If we are unable to borrow under our senior secured revolving credit facility, we will need to meet our capital requirements using other sources; however, alternative sources of liquidity may not be available on acceptable terms. In addition, if we fail to comply with the covenants set forth in our credit facilities the lenders thereunder could declare an event of default and cause all amounts outstanding thereunder to be due and payable immediately. We cannot assure you that our assets or cash flow would be sufficient to fully repay borrowings under our outstanding credit facilities or other debt instruments we may have in place from time to time, either upon maturity or if accelerated, upon an event of default, or that we would be able to refinance or restructure the payments on the credit facilities or such other debt instruments on acceptable terms.

In addition, the agreements governing the senior secured revolving and term loan credit facilities contain covenants that, among other things, restrict our ability to:

- incur liens;
- incur or assume additional debt or guarantees or issue preferred stock;
- pay dividends or repurchases with respect to capital stock;
- prepay, or make redemptions and repurchases of, subordinated debt;
- make loans and investments;
- engage in mergers, acquisitions, asset sales, sale/leaseback transactions and transactions with affiliates;
- place restrictions on the ability of subsidiaries to pay dividends or make other payments to the issuer;
- change the business conducted by us or our subsidiaries; and
- amend the terms of subordinated debt.

Our indebtedness may adversely affect our cash flow and our ability to operate our business, remain in compliance with debt covenants and make payments on our indebtedness.

Our indebtedness, combined with our lease and other financial obligations and contractual commitments could have other important consequences to our stockholders, including:

- making it more difficult for us to satisfy our obligations with respect to our indebtedness, including the revolving credit facility, term loan and our other debt instruments, and any failure to comply with the obligations of any of our debt instruments, including financial and other restrictive covenants, could result in an event of default under the revolving credit facility or term loan and the governing documents of our debt instruments;

- the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness;
- making us more vulnerable to adverse changes in general economic, industry and competitive conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- placing us at a competitive disadvantage compared to our competitors that have less debt; and
- limiting our ability to borrow additional amounts for working capital, capital expenditures, acquisitions, debt service requirements, or execution of our business strategy or other purposes.

Any of these factors could materially and adversely affect our business, financial condition and results of operations. Our ability to make payments on our indebtedness depends on our ability to generate cash in the future. If we do not generate sufficient cash flow to meet our debt service and working capital requirements, we may need to seek additional financing or sell assets. This may make it more difficult for us to obtain financing on terms that are acceptable to us, or at all. Without any such financing, we could be forced to sell assets to make up for any shortfall in our payment obligations under unfavorable circumstances. If necessary, we may not be able to sell assets quickly enough or for sufficient amounts to enable us to meet our obligations.

The transition away from LIBOR may adversely affect our cost to obtain financing and may negatively impact our interest rate swap agreements.

Central banks around the world, including the Board of Governors of the Federal Reserve, have commissioned working groups of market participants and official sector representatives with the goal of finding suitable replacements for the London Interbank Offered Rate (“LIBOR”) based on observable market transactions. It is expected that a transition away from the widespread use of LIBOR to alternative rates will occur over the course of the next few years. The U.K. Financial Conduct Authority (FCA), which regulates LIBOR, has announced that it has commitments from panel banks to continue to contribute to LIBOR through the end of 2021, but that it will not use its powers to compel contributions beyond such date. Accordingly, there is considerable uncertainty regarding the publication of such rates beyond 2021. The Federal Reserve Bank of New York and various other authorities have commenced the publication of reforms and actions relating to alternatives to U.S. dollar LIBOR. The full impact of such reforms and actions, together with any transition away from LIBOR, including the potential or actual discontinuance of LIBOR publication, remains unclear. At this time, it is not possible to predict the effect any discontinuance, modification or other reforms to LIBOR or any other reference rate, or the establishment of alternative reference rates will have on us. However, if LIBOR ceases to exist or if the methods of calculating LIBOR change from their current form, our borrowing costs on our variable rate indebtedness may be adversely affected.

Risks Related to Our Common Stock

Our operating results, revenues and expenses may fluctuate significantly from quarter-to-quarter or year-to-year, which could have an adverse effect on the market price of our common stock.

Our operating results, revenues and expenses have in the past varied and may in the future vary significantly from quarter-to-quarter or year-to-year. These fluctuations could have an adverse effect on the market price of our common stock.
Our operating results may fluctuate as a result of these and other events and factors:

- the size, timing, volume and execution of significant orders and shipments;
- changes in the terms of our sales contracts;
- the timing of new product announcements by us and our competitors;
- changes in our pricing policies or those of our competitors;
- changes in supply and pricing of raw materials and components;
- market acceptance of new and enhanced products;
- announcement of technological innovations or new products by us or our competitors;
- the length of our sales cycles;
- conditions in the commercial vehicle industry;
- changes in our operating expenses;
- personnel changes;
- health epidemics;
- new business acquisitions;
- uncertainty in geographic regions;
- cyber attacks;

- currency and interest rate fluctuations;
- uncertainty with respect to the NAFTA, USMCA and other international trade agreements;
- Brexit
- union actions; and
- seasonal factors.

We base our operating expense budgets in large part on expected revenue trends. However, certain of our expenses are relatively fixed and as such we may be unable to adjust expenses quickly enough to offset any unexpected revenue shortfall. Accordingly, any significant change in revenue may cause significant variation in operating results in any quarter or year.

It is possible that in one or more future quarters or years, our operating results may be below the expectations of public market analysts and investors and may result in changes in analysts' estimates. In such events, the trading price of our common stock may be adversely affected.

In the past, companies that have experienced volatility in the market price of their stock have been the subject of securities class action litigation. If we become involved in securities class action litigation in the future, it could result in substantial costs and diversion of management attention and resources, thus harming our business.

Our common stock has historically had a low trading volume with limited analyst coverage and, as a result, any sale of a significant number of shares may depress the trading price of our stock; stockholders may be unable to sell their shares above the purchase price.

Our common stock is traded on the NASDAQ Global Select Market under the symbol "CVGI." The trading volume and analyst coverage of our common stock has historically been limited as compared to common stock of an issuer that has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share prices. Because of the limited trading volume, holders of our securities may not be able to sell quickly any significant number of such shares, and any attempted sale of a large number of our shares may have a material adverse impact on the price of our common stock. Additionally, because of the limited number of shares being traded, and changes in stock market analyst recommendations regarding our common stock or lack of analyst coverage, the price per share of our common stock is subject to volatility and may continue to be subject to rapid price swings in the future that may result in stockholders' inability to sell their common stock at or above purchase price.

Provisions in our charter documents and Delaware law could discourage potential acquisition proposals, could delay, deter or prevent a change in control and could limit the price certain investors might be willing to pay for our stock.

Certain provisions of our certificate of incorporation and by-laws may inhibit changes in control of our company not approved by our board of directors. These provisions include:

- a prohibition on stockholder action through written consents;
- a requirement that special meetings of stockholders be called only by the board of directors;
- advance notice requirements for stockholder proposals and director nominations;
- limitations on the ability of stockholders to amend, alter or repeal the by-laws; and
- the authority of the board of directors to issue, without stockholder approval, preferred stock and common stock with such terms as the board of directors may determine.

We are also afforded the protections of Section 203 of the Delaware General Corporation Law, which would prevent us from engaging in a business combination with a person who becomes a 15% or greater stockholder for a period of three years from the date such person acquired such status unless certain board or stockholder approvals were obtained. These provisions could limit the price that certain investors might be willing to pay in the future for shares of our common stock.

Item 1B. ***Unresolved Staff Comments***

None.

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Item 2. ***Properties***

Our corporate office is located in New Albany, Ohio. Several of our facilities are located near our OEM customers to reduce distribution costs, reduce risk of interruptions in our delivery schedule, further improve customer service and provide our customers with reliable delivery of products and services. The following table provides selected information regarding our principal facilities as of December 31, 2019:

Location	Primary Product/Function	Ownership Interest
Piedmont, Alabama	Aftermarket Distribution	Owned
Douglas, Arizona	Warehouse	Leased
Dalton, Georgia	Trim & Warehouse	Leased
Monona, Iowa	Wire Harness	Owned
Michigan City, Indiana	Wipers, Switches	Leased
Kings Mountain, North Carolina	Cab, Sleeper Box	Owned
Concord, North Carolina	Injection Molding	Leased
Chillicothe, Ohio	Trim, Mirrors & Warehouse	Owned / Leased
New Albany, Ohio	Corporate Headquarters / Product Design and Development	Leased
Vonore, Tennessee	Seats, Flooring & Warehouse / Product Design and Development	Owned / Leased
Dublin, Virginia	Trim & Warehouse	Owned / Leased
Elkridge, Maryland	Electro-mechanical & Panel Assemblies	Leased
Agua Prieta, Mexico	Wire Harness	Leased
Esqueda, Mexico	Wire Harness	Leased
Morelos, Mexico	Wire Harness	Leased
Saltillo, Mexico	Trim & Seats	Leased
Northampton, United Kingdom	Seats / Product Design and Development	Leased
Brisbane, Australia	Seats	Leased
Sydney, Australia	Seats	Leased
Mackay, Australia	Distribution	Leased
Melbourne, Australia	Distribution	Leased
Perth, Australia	Distribution	Leased
Jiading, China	Seats and Wire Harness / Product Design and Development	Leased
Bangkok, Thailand	Seats	Leased
Brandys nad Orlici, Czech Republic	Seats	Owned
Liberec, Czech Republic	Wire Harness	Leased
Baska (State of Gujarat) India	Seats	Leased
Pune (State of Maharashtra), India	Seats / Product Design and Development	Leased
Dharwad (State of Karnataka), India	Seats	Leased
L’viv, Ukraine	Wire Harness	Leased

We also have leased sales and service offices in the Belgium, Australia, and Czech Republic and a sales office in Sweden. Our owned domestic facilities are subject to liens securing our obligations under our revolving credit facility and senior secured term loan credit facility as described in Note 9 of the Consolidated Financial Statements.

Utilization of our facilities varies with North American, European, Asian and Australian commercial vehicle production and general economic conditions in the regions. All locations are principally used for manufacturing, assembly, distribution or warehousing, except for our New Albany, Ohio facility, which is principally an administrative office.

Item 3. ***Legal Proceedings***

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

discussions with legal counsel, it is the opinion of management that the ultimate outcome of the various legal actions and claims that are incidental to our business are not expected to have a material adverse impact on the consolidated financial position, results of operations, stockholders' equity or cash flows; however, such matters are subject to many uncertainties and the outcomes of individual matters are not predictable with any degree of assurance.

Item 4. ***Mine Safety Disclosures***

Not applicable.

PART II

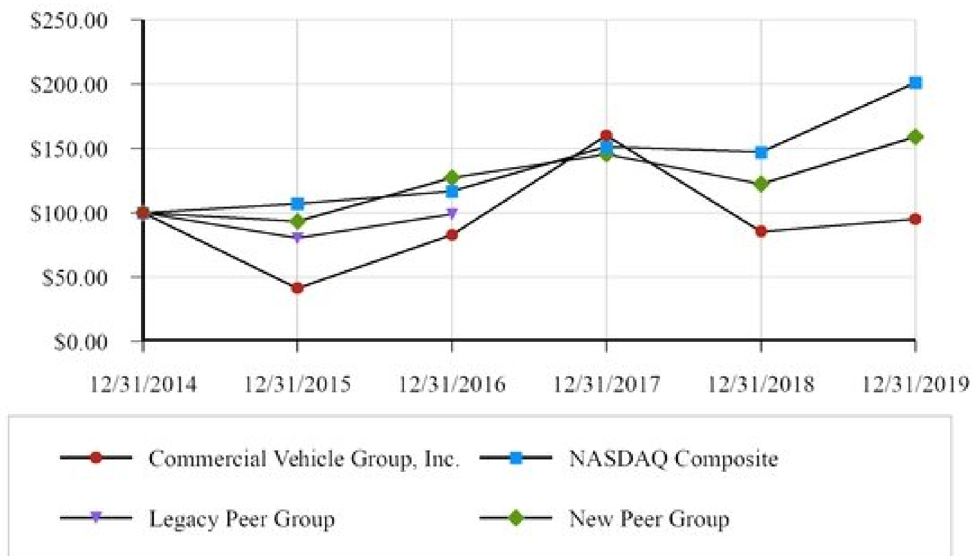
Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

Our common stock is traded on the NASDAQ Global Select Market under the symbol "CVGI."

As of March 16, 2020, there were 171 holders of record of our outstanding common stock.

We have not declared or paid any dividends to the holders of our common stock in the past and do not anticipate paying dividends in the foreseeable future. Any future payment of dividends is within the discretion of the Board of Directors and will depend upon, among other factors, the capital requirements, operating results and financial condition of CVG. In addition, our ability to pay cash dividends is limited under the terms of the Third Amended and Restated Loan and Security Agreement and the Term Loan and Security Agreement, as described in more detail under "Management's Discussion and Analysis - Liquidity and Capital Resources - Debt and Credit Facilities."

The following graph compares the cumulative five-year total return to holders of CVG's common stock to the cumulative total returns of the NASDAQ Composite Index and a Peer Group that includes a legacy group through October 31, 2016. The legacy group is Accuride Corporation, Altra Industrial Motion Corp, Core Molding Technologies, EnPro Industries, Fuel Systems Solutions, L.B. Foster Company, Modine Manufacturing, Meritor Inc. Stoneridge Inc., Titan International and Wabco Holdings. In 2016, Accuride Corporation was purchased by Crestview Partners, and Fuel Systems Solutions merged with Westport Innovations. Both members are reported as part of the legacy peer group only through 2015. The new peer group is Altra Industrial Motion Corp., American Railcar Industries Inc., ASTEC Industries Inc., Columbus McKinnon Corp., Dorman Products Inc., EnPro Industries, Federal Signal Corp., Freightcar America Inc., Gentherm Inc., L.B. Foster Company, LCI Industries, Modine Manufacturing, Shiloh Industries, Spartan Motors Inc., Standard Motor Products Inc., Stoneridge Inc., and Supreme Industries. Supreme Industries was purchased by Wabash National Corporation and is reported as part of the new peer group only through 2017. The graph assumes that the value of the investment in the Company's common stock in the peer group and the index (including reinvestment of dividends) was $100 on December 31, 2014 and tracks it through December 31, 2019.



	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
Commercial Vehicle Group, Inc.	100.00	41.44	82.88	160.21	85.42	95.16
NASDAQ Composite	100.00	107.11	116.72	151.41	147.16	201.22
Legacy Peer Group	100.00	80.33	98.91	N/A	N/A	N/A
New Peer Group	100.00	93.28	127.28	145.60	122.49	159.20

The information in the graph and table above is not "solicitation material", is not deemed "filed" with the Securities and Exchange Commission and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended, or the

Securities Exchange Act of 1934, as amended, whether made before or after the date of this annual report, except to the extent that we specifically incorporate such information by reference.

We did not repurchase any of our common stock on the open market as part of a stock repurchase program during 2019. Our employees surrendered 130,141 shares of our common stock in 2019 to satisfy tax withholding obligations on the vesting of restricted stock awards issued under our Fourth Amended and Restated Equity Incentive Plan and the 2014 Equity Incentive Plan. The following table sets forth information in connection with purchases made by, or on behalf of, us or any affiliated purchaser, of shares of our common stock during the period ended December 31, 2019:

	Total Number of Shares (or Units) Surrendered	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
October 1, 2019 through October 31, 2019	130,141	$ 7.52	—	—

No other shares were surrendered during the quarter ended December 31, 2019.

Unregistered Sales of Equity Securities

We did not sell any equity securities during 2019 that were not registered under the Securities Act of 1933, as amended.

Item 6. ***Selected Financial Data***

The following table sets forth selected consolidated financial data regarding our business. This information should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of this Annual Report on Form 10-K and with our consolidated financial statements and Notes thereto included elsewhere in this Annual Report on Form 10-K, including further details related to the misstatements discussed in Note 2.

Material Events Affecting Financial Statement Comparability

Aside from the acquisition of First Source Electronics, LLC, ("FSE") in September 2019, there are no material events affecting financial statement comparability of our consolidated financial statements contained in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2019. See Note 5 for a description of the FSE acquisition. The table below sets forth Statements of Operations for the periods indicated (in thousands, except per share data):

	Years Ended December 31,				
	2019	2018 (as restated)	2017	2016	2015
Statements of Operations:					
Revenues	$ 901,238	$ 897,737	$ 755,231	$ 662,112	$ 825,341
Cost of revenues	796,101	772,817	664,360	575,409	714,986
Gross profit	105,137	124,920	90,871	86,703	110,355
Selling, general and administrative expenses	62,549	60,679	59,547	60,482	71,321
Amortization expense	1,952	1,300	1,320	1,305	1,327
Operating income	40,636	62,941	30,004	24,916	37,707
Other (expense) income	(2,225)	1,311	1,943	1,236	471
Interest expense	16,855	14,676	19,149	19,318	21,359
Income before provision for income taxes	21,556	49,576	12,798	6,834	16,819
Provision for income taxes	5,778	8,087	15,067	49	9,758
Net income (loss)	15,778	41,489	(2,269)	6,785	7,061
Less: Non-controlling interest in subsidiary’s income (loss)	—	—	—	—	1
Net income (loss) attributable to CVG stockholders	$ 15,778	$ 41,489	$ (2,269)	$ 6,785	$ 7,060
Income (loss) per share attributable to common stockholders:					
Basic	$ 0.52	$ 1.37	$ (0.08)	$ 0.23	$ 0.24
Diluted	$ 0.51	$ 1.36	$ (0.08)	$ 0.23	$ 0.24
Weighted average common shares outstanding:					
Basic	30,602	30,277	29,942	29,530	29,209
Diluted	30,823	30,587	29,942	29,878	29,399

Description of Restatement Adjustments

The categories of restatement adjustments and immaterial corrections of errors and their impact on previously reported consolidated financial statements as of and for the year ended December 31, 2018 and immaterial corrections of errors as of and for the year ended December 31, 2017, are detailed in Note 2 contained in the Notes to the consolidated financial statements in this Annual Report on Form 10-K and are described below:

For the year ended December 31, 2018

Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $4.1 million increase in cost of revenues; a $1.0 million decrease in provision for income taxes; and a $3.1 million decrease in net income.

Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million decrease in cost of revenues; an immaterial increase in provision for income taxes; and a $0.1 million increase in net income.

For the year ended December 31, 2017

Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.0 million increase in cost of revenues; a $0.2 million decrease in provision for income taxes; and a $0.8 million increase in net loss.

Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million decrease in cost of revenues; a $0.1 million reduction in provision for income taxes; and a $0.2 million decrease in net loss.

The table below sets forth certain balance sheet and other data for the periods indicated (in thousands):

	Years Ended December 31,				
	2019	2018 (as restated)	2017	2016	2015
Balance Sheet Data (at end of each period):					
Working capital (current assets less current liabilities)	$ 149,365	$ 176,571	$ 149,546	$ 202,693	$ 193,424
Total assets	435,826	412,688	381,969	428,765	436,679
Total liabilities, excluding debt	150,754	139,334	142,697	127,921	133,112
Total debt, net of prepaid debt financing costs and discount	156,384	163,758	166,949	233,154	235,000
Total CVG stockholders’ equity	128,688	109,596	72,323	67,690	65,930
Total stockholders’ equity	128,688	109,596	72,323	67,690	65,930
Other Data:					
Net cash provided by (used in):					
Operating activities	$ 36,746	$ 40,992	$ 2,257	$ 49,365	$ 55,299
Investing activities	(57,979)	(14,101)	(10,776)	(8,903)	(14,506)
Financing activities	(10,113)	(5,835)	(72,848)	(714)	(16,008)
Depreciation and amortization	15,561	15,418	15,344	16,451	17,710
Capital expenditures	24,117	14,550	13,567	11,917	15,590
North American Class 8 Production (units) [1]	342	324	256	228	323
North America Class 5-7 Production (units) [1]	281	273	249	233	237

(1) Source: *ACT* (February 2020)

As of December 31, 2018

Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.7 million decrease in accounts receivable, net; a $4.7 million decrease in other current assets; a $1.3 million increase in long-term deferred tax assets; and a $4.1 million increase in retained deficit.

Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $2.2 million decrease in machinery and equipment; a $1.2 million decrease in accumulated depreciation; a $0.3 million decrease in long-term deferred tax assets; and a $1.3 million increase in retained deficit.

As of December 31, 2017

Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in an immaterial decrease in accounts receivable, net; a $1.3 million decrease in other current assets; a $0.3 million increase in long-term deferred tax assets; and a $1.0 million increase in retained deficit.

Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $2.2 million decrease in machinery and equipment; a $1.1 million decrease in accumulated depreciation; a $0.2 million decrease in long-term deferred tax assets; and a $1.3 million increase in retained deficit.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

You should read the following discussion and analysis in conjunction with the information set forth under "Item 6 - Selected Financial Data" and our consolidated financial statements and the notes thereto included in Item 8 in this Annual Report on Form 10-K. The statements in this discussion regarding industry outlook, our long-term strategy, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. See "Forward-Looking Information" on page ii of this Annual Report on Form 10-K. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under "Item 1A - Risk Factors." Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Restatement

This MD&A gives effect to certain adjustments made to our previously reported consolidated financial statements as of and for the year ended December 31, 2018. Due to the restatement of this period, the data set forth in this MD&A may not be comparable to discussions and data included in our previously filed Annual Report on Form 10-K for 2018.

Refer to Notes 2 and 19 of the accompanying audited financial statements for further details related to the restatement and immaterial correction of errors and the impact on our consolidated financial statements.

Company Overview

Commercial Vehicle Group, Inc. (through its subsidiaries) is a leading supplier of electrical wire harnesses, seating systems, and a full range of other cab related products for the global commercial vehicle markets, including medium- and heavy-duty trucks ("MD/HD Truck") and medium- and heavy-construction vehicles. We also supply electrical wire harnesses, control panels, electro-mechanical and cable assemblies, seating systems and other products to automotive, military, bus, agriculture, transportation, mining, industrial and off-road recreational markets.

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

We are differentiated from automotive industry suppliers by our ability to manufacture low volume, customized products on a sequenced basis to meet the requirements of our customers. We believe our products are used by a majority of the North American MD/HD Truck and many medium- and heavy-duty construction vehicle original equipment manufacturers (“OEMs”), and to a lesser extent other makers of industrial equipment.

In the quarter ended December 31, 2018, we completed a strategic reorganization of our operations into two business segments, Electrical Systems and Global Seating. The reorganization allows the Company to better focus its business along product lines, as opposed to end markets, which the Company believes enhances the effectiveness of seeking out growth opportunities and shareholder value.

Business Overview

For the year ended December 31, 2019, approximately 49% of our revenue was generated from sales to North American MD/HD Truck OEMs. Our remaining revenue was primarily derived from sales to OEMs in the global construction equipment market, aftermarket and OE service organizations, military market and specialty markets.

Demand for our products may be driven by preferences of the end-user of the vehicle, particularly with respect to heavy-duty trucks. Unlike the automotive industry, heavy-duty truck OEMs generally afford the end-user the ability to specify many of the component parts that will be used to manufacture the vehicle, including a wide variety of cab interior styles and colors, brand and type of seats, type of seat fabric and color, and interior styling. Certain of our products are only utilized in heavy-duty trucks, such as our storage systems, sleeper boxes and privacy curtains. To the extent that demand for higher content vehicles increases or decreases, our revenues and gross profit will be impacted positively or negatively.

We generally compete for new business at the beginning of the development of a new vehicle platform and upon the redesign of existing programs. New platform development generally begins one to three years before the marketing of such models by our customers. Contract durations for commercial vehicle products generally extend for the entire life of the platform. Several of the major truck makers have upgraded their truck platforms and we believe we have maintained our share of content in these platforms. We continue to pursue opportunities to expand our content.

Demand for our heavy-duty (or "Class 8") truck products is generally dependent on the number of new heavy-duty trucks manufactured in North America, which in turn is a function of general economic conditions, interest rates, changes in government regulations, consumer spending, fuel costs, freight costs, fleet operators' financial health and access to capital, used truck prices and our customers’ inventory levels. New heavy-duty truck demand has historically been cyclical and is particularly sensitive to the industrial sector of the economy, which generates a significant portion of the freight tonnage hauled by commercial vehicles. North American heavy-duty truck production was 342,000 units in 2019. According to a February 2020 report by ACT Research, a publisher of industry market research, North American Class 8 production levels are expected to decrease to 225,000 units in 2020, steadily increase to 340,000 units in 2023 and then decline to 246,000 units in 2024. ACT Research estimated that the average age of active North American Class 8 trucks was 6.4 and 6.6 years in 2019 and 2018, respectively. As vehicles age, maintenance costs typically increase. ACT Research forecasts that the vehicle age will decline as aging fleets are replaced.

North American medium-duty (or "Class 5-7") truck production steadily increased from 249,000 units in 2017 to 281,000 units in 2019. According to a February 2020 report by ACT Research, North American Class 5-7 truck production is expected to decrease to 249,000 units in 2020, steadily increase to 274,000 units in 2023 and then decline to 268,000 units in 2024. We primarily participate in the class 6 and 7 portion of the medium-duty truck market.

Demand for our construction equipment products is dependent on vehicle production. Demand for new vehicles in the global construction equipment market generally follows certain economic conditions around the world. Our products are primarily used in the medium- and heavy-duty construction equipment markets (vehicles weighing over 12 metric tons). Demand in the medium- and heavy-duty construction equipment market is typically related to the level of large scale infrastructure development projects, such as highways, dams, harbors, hospitals, airports and industrial development, as well as activity in the mining, forestry and commodities industries. The construction markets we serve in North America, Europe and Asia have declined.

On September 17, 2019, the Company entered into and closed on an Asset Purchase Agreement with First Source Electronics, LLC (“FSE”), Kevin Popielarczyk and Richard Vuoto (collectively, “Principals”) and the Company’s wholly-owned subsidiary, CVG FSE, LLC (“CVG FSE”). Information relating to the FSE acquisition in Note 5 of the Consolidated Financial Statements are incorporated in this section by reference.

During 2019, we began implementing cost reduction and manufacturing capacity rationalization actions (the "Restructuring Initiatives") in response to declines in end market volumes. These actions were initiated in 2019 and are expected to continue through 2020. The Restructuring Initiatives consist primarily of headcount reductions in each segment and at corporate, as well as other costs associated with the transfer of production and subsequent closure of facilities.

2020 Outlook

Management estimates that 2020 North American Class 8 truck production may decline by 35% to 42% (to 200,000 to 225,000 production units), North American Class 5-7 production may decline by 15% to 20%, and the construction markets the Company serves in North America, Europe and Asia Pacific may decline by 10 to 15%.

While we experienced unplanned downtime during the first quarter of 2020 in our China operation due to the COVID-19 virus, we have seen steady improvements in our ability to produce in that operation and are currently operating at approximately 70% of expected levels. Due to inventory levels built prior to the Chinese New Year, sales losses in the first quarter have been immaterial and early indications are that the customers intend to make up lost production throughout the year. In other regions, the situation is dynamic, we have taken preventative measures where possible and we are monitoring conditions closely.

Our Long-term Strategy

Our long-term strategy is to grow revenue by product, geography and end market. Our products include electrical wire harnesses and electro-mechanical and cable assemblies, Trim, mirrors, wipers and controls, cab structures and sleeper boxes, and Seats. We intend to allocate resources consistent with our strategy; more specifically, consistent with our product portfolio, geographic region and end market diversification objectives. We periodically evaluate our long-term strategy and may adjust the strategy in response to changes in our business environment and other factors.

As part of our long-term strategy, we have considered and will consider acquisitions and divestitures to enhance return to our stockholders and service to customers. As discussed in Note 5, the Company completed the acquisition of FSE in September 2019. This strategic acquisition improves our ability to participate in the progression of digitalization, connectivity and associated power and data applications. The acquisition also complements our wire harness business, provides an entry into new markets, and provides us with an opportunity to leverage our global footprint and to increase cross-selling opportunities.

Recently Issued Accounting Pronouncements

Recently issued accounting pronouncements described in Note 1 of the Consolidated Financial Statements are incorporated in this section by reference.

Consolidated Results of Operations

The table below sets forth certain operating data expressed as a percentage of revenues for the periods indicated (dollars are in thousands):

	2019		2018 (as restated)		2017	
Revenues	$ 901,238	100.0 %	$ 897,737	100.0%	$ 755,231	100.0 %
Cost of revenues	796,101	88.3	772,817	86.1	664,360	88.0
Gross profit	105,137	11.7	124,920	13.9	90,871	12.0
Selling, general and administrative expenses	62,549	6.9	60,679	6.8	59,547	7.9
Amortization expense	1,952	0.2	1,300	0.1	1,320	0.2
Operating income	40,636	4.5	62,941	7.0	30,004	4.0
Other (expense) income	(2,225)	(0.2)	1,311	0.1	1,943	0.3
Interest expense	16,855	1.9	14,676	1.6	19,149	2.5
Income before provision for income taxes	21,556	2.4	49,576	5.5	12,798	1.7
Provision for income taxes	5,778	0.6	8,087	0.9	15,067	2.0
Net income (loss)	$ 15,778	1.8 %	$ 41,489	4.6%	$ (2,269)	(0.3)%

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

CONSOLIDATED RESULTS

The table below sets forth certain consolidated operating data for the periods indicated (dollars are in thousands):

	2019	2018 (as restated)	Dollar Change	% Change
Revenues	$ 901,238	$ 897,737	$ 3,501	0.4 %
Gross profit	105,137	124,920	(19,783)	(15.8)
Selling, general and administrative expenses	62,549	60,679	1,870	3.1
Other (income) expense	(2,225)	1,311	(3,536)	(269.7)
Interest expense	16,855	14,676	2,179	14.8
Provision for income taxes	5,778	8,087	(2,309)	(28.6)
Net income	15,778	41,489	(25,711)	(62.0)

Revenues. Consolidated revenues of $901.2 million were substantially unchanged in 2019 compared to 2018. Heavy-duty truck production volumes in North America in 2019, our largest end market, were markedly higher than truck replacement level volumes, but production volumes declined significantly in the second half of the year. Production volumes in our second largest end market, global construction equipment, declined in 2019 compared to 2018 for the medium- and heavy-duty construction equipment parts we supply. Consolidated revenues in 2019 compared to 2018 were as follows:

- a $26.8 million, or 7%, increase in OEM North American MD/HD Truck revenues;
- a $10.3 million, or 54%, increase in military revenues primarily attributable to the acquisition of FSE;
- a $20.3 million, or 11%, decrease in construction equipment revenues;
- a $8.3 million, or 6%, decrease in aftermarket revenues; and
- a $5.0 million, or 4%, decrease in other revenues.

2019 revenues were adversely impacted by foreign currency exchange translation of $10.4 million, which is reflected in the change in revenue above.

Gross Profit. Included in gross profit is cost of revenues, which consists primarily of raw materials and purchased components for our products, wages and benefits for our employees and overhead expenses such as manufacturing supplies, facility rent and utilities costs related to our operations. Cost of revenues increased $23.3 million, or 3.0%, resulting from an increase in raw material and purchased component costs of $12.1 million, wages and benefits of $2.0 million and overhead expenses of $9.2 million. Supplier price increases and costs associated with difficult labor markets, including higher labor costs, adversely impacted material and labor costs. Beginning in the first quarter of 2019, the imposition by Mexico of a new statutory minimum wage in the Free Zone of the Northern Border (the “Border Minimum Wage”), a geographic area running along and just south of the U.S. / Mexico

border and encompassing our wire harness facility in Agua Prieta, Mexico, adversely impacted labor costs. A number of actions, including pricing adjustments on certain products, reduced the impact of the Border Minimum Wage. The net unfavorable impact of the Border Minimum Wage on the 2019 results was approximately $2.3 million. Costs associated with a supplier of fabricated metals that sought bankruptcy relief in the second quarter of 2019 (the "Troubled Supplier") adversely impacted the current year by $3.1 million. Costs associated with manufacturing investments in our global wire harness and North American trim businesses (the "Manufacturing Investments") are included in 2019 results and approximate $1.8 million. Employee separation costs and charges associated with manufacturing capacity rationalization (the "Restructuring Initiatives") that began in 2019 totaling $2.2 million adversely impacted gross profit in 2019. The Restructuring Initiatives are expected to mitigate the impact of lower production volumes in 2020. As a percentage of revenues, gross profit margin was 11.7% for the year ended December 31, 2019 compared to 13.9% for the year ended December 31, 2018.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses consist primarily of wages and benefits and other overhead expenses such as marketing, travel, legal, audit, rent and utilities costs, which are not directly or indirectly associated with the manufacturing of our products. SG&A expenses increased $1.9 million in the year ended December 31, 2019 as compared to the year ended December 31, 2018 due primarily to costs of $0.9 million associated with the acquisition of the assets of FSE and costs of $0.8 million associated with the Restructuring Initiatives.

Other (Income) Expense. The 2019 results include a $2.5 million non-cash charge associated with the early payout of benefits to term vested participants in the U.S. Pension Plan, which reduced future financial risk associated with the U.S. Pension Plan and contributed to an improvement in funded status to approximately 100%.

Interest Expense. Interest expense includes the mark-to-market impact of an interest rate swap agreement, which resulted in a $1.9 million non-cash charge in the year ended December 31, 2019 and a $0.8 million gain in the prior year.

Provision for Income Taxes. Income tax provisions of $5.8 million and $8.1 million were recorded for the fiscal years ended December 31, 2019 and 2018, respectively. The year over year change in the tax provision was primarily attributable to the lower tax expense resulting from the decrease in income before provision for income taxes, offset by a decrease in the amount of favorable, period-specific tax adjustments and an increase in withholding tax expense recorded in the current year for the impact of the repatriation of earnings from certain foreign subsidiaries.

Electrical Systems Segment Results

The table below sets forth certain Electrical Systems Segment operating data for the periods indicated (dollars are in thousands):

	2019	2018 (as restated)	Dollar Change	% Change
Revenues	$ 530,901	$ 512,754	$ 18,147	3.5 %
Gross profit	60,008	71,104	(11,096)	(15.6)
Selling, general & administrative expenses	15,815	15,390	425	2.8
Operating income	42,778	54,967	(12,189)	(22.2)

Revenues. The increase in Electrical Systems Segment 2019 revenues is primarily a result of:

- a $18.6 million, or 7%, increase in OEM North American MD/HD Truck revenues;
- a $10.2 million, or 55%, increase in military revenues primarily attributable to the FSE acquisition;
- a $2.0 million, or 2%, decrease in OEM construction equipment revenues; and
- a $8.7 million, or 6%, decrease in other revenue.

Electrical Systems Segment 2019 revenues were adversely impacted by foreign currency exchange translation of $3.7 million, which is reflected in the changes in revenue above.

Gross Profit. Included in gross profit is cost of revenues, which increased $29.2 million, or 6.6%, as a result of an increase in raw material and purchased component costs of $13.8 million, wages and benefits of $4.4 million and overhead expenses of $11.0 million. Inflationary pressures affecting the Company's raw material, purchased component, labor and labor associated costs adversely affected cost of revenues. Also adversely impacting 2019 results, was the Border Minimum Wage, approximately $2.3 million; the Troubled Supplier, approximately $3.1 million; and costs associated with the Manufacturing Investments, approximately $1.8 million. Cost control and cost recovery initiatives, including pricing adjustments, reduced the impact of these

cost pressures on gross profit. Gross profit for the year ended December 31, 2019 was also adversely impacted by costs of $1.8 million associated with the Restructuring Initiatives. As a percentage of revenues, gross profit for the year ended December 31, 2019 was 11.3% compared to 13.9% for the year ended December 31, 2018.

Selling, General and Administrative Expenses. Electrical Systems Segment SG&A expenses increased $0.4 million, or 2.8%, in 2019 compared to 2018. SG&A includes costs of $0.4 million associated with the Restructuring Initiatives.

Global Seating Segment Results

The table below sets forth certain Global Seating Segment operating data for the periods indicated (dollars are in thousands):

	2019	2018 (as restated)	Dollar Change	% Change
Revenues	$ 381,548	$ 397,501	$ (15,953)	(4.0)%
Gross profit	45,201	54,231	(9,030)	(16.7)
Selling, general & administrative expenses	20,429	22,433	(2,004)	(8.9)
Operating income	24,235	31,245	(7,010)	(22.4)

Revenues. The decrease in Global Seating Segment 2019 revenues is primarily a result of:

- a $8.2 million, or 5%, increase in OEM North American MD/HD Truck revenues;
- a $18.3 million, or 19%, decrease in OEM construction equipment revenues;
- a $5.4 million, or 6%, decrease in aftermarket revenues; and
- a $0.4 million, or 1%, decrease in other revenues.

Global Seating Segment 2019 revenues were adversely impacted by foreign currency exchange translation of $6.7 million, which is reflected in the changes in revenue above.

Gross Profit. Included in gross profit is cost of revenues, which decreased $6.9 million, or 2.0%, as a result of a decrease in raw material and purchased component costs of $3.1 million, wages and benefits of $2.4 million and overhead expenses of $1.4 million. Inflationary pressures affecting the Company's raw material, purchased component, labor and labor associated costs adversely affected cost of revenues. Cost control and cost recovery initiatives, including pricing adjustments, reduced the impact of these cost pressures on gross profit. Gross profit for the year ended December 31, 2019 was also adversely impacted by costs of $0.4 million associated with the Restructuring Initiatives. As a percentage of revenues, gross profit was 11.8% for the year ended December 31, 2019 compared to 13.6% for the year ended December 31, 2018.

Selling, General and Administrative Expenses. Global Seating Segment SG&A expenses decreased $2.0 million, or 8.9%, for the year ended December 31, 2019 compared to the year ended December 31, 2018, reflecting a focus on cost discipline. SG&A includes costs of $0.1 million associated with the Restructuring Initiatives.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Consolidated Results

The table below sets forth certain consolidated operating data for the periods indicated (dollars are in thousands):

	2018 (as restated)	2017	Dollar Change	% Change
Revenues	$ 897,737	$ 755,231	$ 142,506	18.9 %
Gross profit	124,920	90,871	34,049	37.5
Selling, general & administrative expenses	60,679	59,547	1,132	1.9
Interest expense	14,676	19,149	(4,473)	(23.4)
Provision for income taxes	8,087	15,067	(6,980)	(46.3)
Net (loss) income	41,489	(2,269)	43,758	(1,928.5)

Revenues. The increase in consolidated revenues for the year ended December 31, 2018 compared to the year ended December 31, 2017 primarily resulted from increased heavy-duty truck production volumes in North America and an improvement in the global construction equipment markets. More specifically, the increase resulted from:

- a $106.4 million, or 33%, increase in OEM North American MD/HD Truck revenues;
- a $24.9 million, or 15%, increase in construction equipment revenues;
- a $17.2 million, or 14%, increase in aftermarket revenues; and
- a $6.0 million, or 4%, decrease in other revenues.

2018 revenues were favorably impacted by foreign currency exchange translation of $8.1 million, which is reflected in the change in revenue above.

Gross Profit. The increase in gross profit is attributable to the increase in sales volume. Cost of revenues increased $108.5 million, or 16.3%, resulting from an increase in raw material and purchased component costs of $85.6 million, wages and benefits of $10.6 million and overhead expenses of $12.3 million. Commodity and other material inflationary pressures and difficult labor markets adversely affected cost of revenues. Cost control and cost recovery initiatives, including pricing adjustments, reduced the impact of these cost pressures on gross profit. Also benefiting gross profit was the completion of facility restructuring in late 2017. The year ended December 31, 2017 included costs of approximately $10.0 million arising from a labor shortage in our North American wire harness business and $1.9 million in charges relating to facility restructuring and related costs. There were no facility restructuring and related costs in 2018. As a percentage of revenues, gross profit was 13.9% for the year ended December 31, 2018 compared to 12.0%for the year ended December 31, 2017.

Selling, General and Administrative Expenses. SG&A expenses increased $1.1 million, or 1.9%, on an 18.9% increase in revenues, reflecting a focus on cost discipline. The year ended December 31, 2017 includes $2.4 million of litigation settlement costs.

Interest Expense. The decrease is the result of less outstanding debt and the favorable impact of the mark-to-market of an interest rate swap agreement due to rising interest rates. Included in interest expense for the year ended December 31, 2017 is a non-cash write-off of deferred financing fees of $1.6 million and interest of $1.5 million paid to bondholders during the 30-day notification period associated with the redemption of the 7.875% notes in 2017.

Provision for Income Taxes. The decrease in the tax provision is primarily attributable to $11.2 million in non-recurring tax expense recorded during the year ended December 31, 2017 for the impact of the Tax Cuts and Jobs Act of 2017 ("U.S. Tax Reform"). The $11.2 million tax provision consisted of $7.2 million tax expense associated with the decrease in value of the Company's deferred tax assets resulting from the reduced 21% U.S. corporate income tax rate and $4.0 million tax expense estimated for the deemed repatriation of accumulated untaxed earnings of the Company's foreign subsidiaries. Moreover, results for the year ended December 31, 2018 include a $4.2 million tax benefit recorded as an adjustment to the $4.0 million provisional tax expense accrued during the year ended December 31, 2017 for the estimated impact of the deemed repatriation of accumulated untaxed earnings of the Company's foreign subsidiaries. The $4.2 million tax benefit is primarily attributable to foreign tax credits that were generated as a result of the deemed repatriation of accumulated untaxed earnings of the Company's foreign subsidiaries which were not provided for in the provisional $4.0 million tax expense recorded during the year ended December 31, 2017 due to the lack of regulatory guidance on how certain provisions of the U.S. Tax Reform should be implemented.

Excluding the non-recurring impact of the U.S. Tax Reform, our provision for income taxes would have been $12.3 million for the year ended December 31, 2018 compared to $3.9 million for the year ended December 31, 2017. The year over year change in tax provision, excluding the impact of the U.S. Tax Reform, was primarily attributable to the increase in worldwide pre-tax earnings during the year ended December 31, 2018 and unfavorable impact of the new Global Intangible Low-Taxed Income rules enacted under the U.S. Tax Reform.

SEGMENT RESULTS

Electrical Systems Segment Results

The table below sets forth certain Electrical Systems Segment operating data for the periods indicated (dollars are in thousands):

	2018 (as restated)	2017	Dollar Change	% Change
Revenues	$ 512,754	$ 434,398	$78,356	18.0 %
Gross profit	71,104	51,017	20,087	39.4
Selling, general & administrative expenses	15,390	15,757	(367)	(2.3)
Operating income	54,967	34,514	20,453	59.3

Revenues. The increase in Electrical Systems Segment revenues in 2018 compared to 2017 is primarily a result of:

- a $63.0 million, or 33%, increase in OEM North American MD/HD Truck revenues;
- a $11.0 million, or 13%, increase in OEM construction equipment revenues;
- a $10.0 million, or 23%, increase in aftermarket revenues;
- a $3.6 million, or 4%, increase in other revenue; and
- a $9.2 million, or 41%, decrease in OEM recreational and specialty revenues.

Electrical Systems Segment 2018 revenues were favorably impacted by foreign currency exchange translation of $4.5 million, which is reflected in the changes in revenue above.

Gross Profit. The increase in gross profit was primarily the result of the increase in sales volume. Included in gross profit is cost of revenues, which increased $58.3 million, or 15.2%, as a result of an increase in raw material and purchased component costs of $47.5 million, wages and benefits of $5.8 million and overhead expenses of $5.0 million. Commodity and other material inflationary pressures and difficult labor markets adversely affected cost of revenues. Cost control and cost recovery initiatives, including pricing adjustments, reduced the impact of these cost pressures on gross profit. The year ended December 31, 2017, included costs of approximately $10.0 million arising from a labor shortage in our North American wire harness business and $1.8 million in charges relating to facility restructuring and related costs, which was completed in late 2017. There were no facility restructuring and related costs in 2018. As a percentage of revenues, gross profit was 13.9% for the year ended December 31, 2018 compared to 11.7% for the year ended December 31, 2017.

Selling, General and Administrative Expenses. Electrical Systems Segment SG&A expenses decreased $0.4 million, or 2.3%, in 2018 compared to 2017, notwithstanding the increase in revenues, reflecting a focus on cost discipline.

Global Seating Segment Results

The table below sets forth certain Global Seating Segment operating data for the periods indicated (dollars are in thousands):

	2018 (as restated)	2017	Dollar Change	% Change
Revenues	$ 397,501	$ 329,516	$67,985	20.6%
Gross profit	54,231	40,722	13,509	33.2
Selling, general & administrative expenses	22,433	21,585	848	3.9
Operating income	31,245	18,563	12,682	68.3

Revenues. The increase in Global Seating Segment 2018 revenue is primarily a result of:

- a $43.4 million, or 34%, increase in OEM North American MD/HD Truck revenues;
- a $13.9 million, or 17%, increase in OEM construction equipment revenues;
- a $7.2 million, or 9%, increase in aftermarket revenues; and
- a $3.5 million, or 9%, increase in revenues other revenues.

Global Seating Segment 2018 revenues were favorably impacted by foreign currency exchange translation of $3.6 million, which is reflected in the changes in revenue above.

Gross Profit. The increase in gross profit was primarily the result of the increase in sales volume. Included in gross profit is cost of revenues, which increased $54.5 million, or 18.9%, as a result of an increase in raw material and purchased component costs

of $42.0 million, wages and benefits of $4.8 million and overhead expenses of $7.7 million. Commodity and other material inflationary pressures and difficult labor markets adversely affected cost of revenues. Cost control and cost recovery initiatives, including pricing adjustments, reduced the impact of these cost pressures on gross profit. As a percentage of revenues, gross profit was 13.6% for the year ended December 31, 2018 compared to 12.4% for the year ended December 31, 2017.

Selling, General and Administrative Expenses. Global Seating Segment SG&A expenses increased $0.8 million, or 3.9%, on a 20.6% increase in revenues in 2018 compared to 2017, reflecting a focus on cost discipline.

Liquidity and Capital Resources

During the year ended December 31, 2019, the Company borrowed under its revolving credit facility; however, as of year end the Company did not have any outstanding borrowings under the facility. At December 31, 2019, the Company had liquidity of $94.6 million; $39.5 million of cash and $55.1 million availability from its revolving credit facility.

We intend to allocate resources consistent with the following priorities: (1) to provide liquidity; (2) to invest in growth; (3) to reduce debt; and (4) to return capital to our stockholders.

Cash Flows

Our primary source of liquidity during the year ended December 31, 2019 was cash and availability under our revolving credit facility. We believe that these sources of liquidity will provide adequate funds for our working capital needs, planned capital expenditures and servicing of our debt through the next twelve months. However, no assurance can be given that this will be the case. We had no borrowings under our revolving credit facility at December 31, 2019.

For the year ended December 31, 2019, cash provided by operations was $36.7 million compared to $41.0 million in the year ended December 31, 2018 and $2.3 million in the year ended December 31, 2017. More than all of the decrease in cash provided by operations for the year ended December 31, 2019 compared to 2018 was due to a decrease in net income partially offset by less cash used for working capital changes in 2019 than in 2018. The increase in cash provided by operations for the year ended December 31, 2018 compared to 2017 was primarily due to an increase in net income.

Net cash used in investing activities was $58.0 million for the year ended December 31, 2019 compared to $14.1 million for the year ended December 31, 2018, and $10.8 million for the year ended December 31, 2017. The increase in cash used in investing activities for the year ended December 31, 2019 compared to 2018 was due to the acquisition of the assets of FSE and an increase in capital expenditures. The increase in cash used in investing activities for the year ended December 31, 2018 compared to 2017 was due primarily to a gain on the sale of a building in 2017. In 2020, we expect capital expenditures to be in the range of $12 million to $15 million.

Net cash used in financing activities was $10.1 million for the year ended December 31, 2019 compared to $5.8 million for the year ended December 31, 2018, and $72.8 million for the year ended December 31, 2017. The increase in net cash used in financing activities for the year ended December 31, 2019 was due primarily to repayments on the term loan facility. The decrease in net cash used in financing activities for the year ended December 31, 2018 is attributable to the debt refinancing completed in 2017.

As of December 31, 2019, substantially all of the cash of $39.5 million was held by foreign subsidiaries. During the year ended December 31, 2019, $19.4 million, net of $1.0 million in foreign withholding tax was repatriated from our foreign subsidiaries. We plan to repatriate an additional $12.0 million in 2020 and a $0.8 million deferred tax liability was recorded during the year ended December 31, 2019 for the expected future income tax implications.

Debt and Credit Facilities

The debt and credit facility summaries described in Note 9 of the Consolidated Financial Statements are incorporated in this section by reference.

Contractual Obligations and Commercial Commitments

The following table reflects our contractual obligations as of December 31, 2019 (in thousands):

	Payments Due by Period				
	Total	1 Year	2-3 Years	4-5 Years	More than 5 Years
Debt obligations	$ 159,913	$ 4,375	$ 8,750	$ 146,788	$ —
Estimated interest payments	39,782	12,549	23,960	3,273	—
Leasing obligations	46,435	10,701	19,486	9,413	6,835
Non-U.S. pension funding	23,019	1,964	3,858	4,040	13,157
Total	$ 269,149	$ 29,589	$ 56,054	$ 163,514	$ 19,992

We estimated future interest payments based on the effective interest rate as of December 31, 2019. Since December 31, 2019, there have been no material changes outside the ordinary course of business to our contractual obligations as set forth above.

We expect to contribute approximately $1.0 million to our UK pension plan in 2020. No contributions are expected to be made to our U.S. pension plan in 2020.

We enter into agreements with our customers at the beginning of a given vehicle platform's life to supply products for the entire life of that vehicle platform. These agreements generally provide for the supply of a customer's production requirements for a particular platform rather than for the purchase of a specific quantity of products. The obligations under these agreements and regulations are not reflected in the contractual obligations table above.

As of December 31, 2019, we were not a party to significant purchase obligations for goods or services.

Off-Balance Sheet Arrangements

We use standby letters of credit to guarantee our performance under various contracts and arrangements, principally in connection with our workers' compensation liabilities. These letter of credit contracts are usually extended on a year-to-year basis. As of December 31, 2019, we had outstanding letters of credit of $1.6 million. We do not believe that these letters of credit will be drawn.

We currently have no non-consolidated special purpose entity arrangements.

Critical Accounting Policies and Estimates

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

The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We evaluate our estimates and assumptions on an ongoing basis, particularly relating to accounts receivable reserves, inventory reserves, goodwill, intangible and long-lived assets, income taxes, warranty reserves, litigation reserves and pension and other post-retirement benefit plans. We base our estimates on historical experience and other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets, liabilities and equity that are not readily apparent from other sources. Actual results and outcomes could differ materially from these estimates and assumptions. See Item 1A - *Risk Factors* in this Annual Report on Form 10-K for additional information regarding risk factors that may impact our estimates.

Revenue Recognition — We recognize revenue when our performance obligation has been satisfied and control of products has been transferred to a customer, which typically occurs upon shipment. Revenue is measured based on the amount of consideration we expect to receive in exchange for the transfer of goods or services. We enter into agreements with our customers at the beginning of a vehicle platform's life to supply products for that vehicle platform. Once we enter into such agreements, fulfillment of our requirements is our obligation for the entire production life of the platform and we have no provisions to terminate such contracts. Management judgments and estimates must be made in estimating sales returns and allowances relating to revenue recognized in a given period.

Lease Accounting — In accordance with ASU No. 2016-02, "Leases (Topic 842)", which was adopted as of January 1, 2019, we elected not to recognize lease assets and lease liabilities for leases with a term of twelve months or less and elected to not separate lease and non-lease components. We elected the transition method option under ASU 2018-11, "Leases (Topic 842): Targeted Improvements" with the package of practical expedients that permits the Company to: (a) not reassess whether expired or existing contracts contain leases, (b) not reassess lease classification for existing or expired leases and (c) not consider whether previously capitalized initial direct costs would be appropriate under the new standard. We recorded a right-of-use asset of $21.2 million and a lease liability of $22.2 million upon adoption. We also elected the option to apply the new leasing standard on the date of adoption

and recognize a cumulative-effect transition adjustment to the opening balance of retained earnings in the period of adoption resulting in a cumulative effect as of January 1, 2019 of $0.1 million.

Business Combinations — Assets acquired and liabilities assumed as part of a business acquisition are generally recorded at their fair value at the date of acquisition. The excess of purchase price over the fair value of assets acquired and liabilities assumed is recorded as goodwill. Determining fair value of identifiable assets, particularly intangibles, and liabilities acquired also requires management to make estimates, which are based on all available information and in some cases subjective assumptions with respect to the timing and amount of future revenues and expenses associated with an asset. Accounting for business acquisitions requires management to make judgments as to whether a purchase transaction is a multiple element contract, meaning that it includes other transaction components such as a settlement of a preexisting relationship. This judgment and determination affects the amount of consideration paid that is allocable to assets and liabilities acquired in the business purchase transaction.

Inventory — Inventories are valued at the lower of first-in, first-out cost or net realizable value. Cost includes applicable material, labor and overhead. We value our finished goods inventory at a standard cost that is periodically adjusted to approximate actual cost. Inventory quantities on-hand are regularly reviewed, and where necessary, provisions for excess and obsolete inventory are recorded based primarily on our estimated production requirements driven by expected market volumes.

Income Taxes — We recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been included in our financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statements and tax basis of assets and liabilities using enacted tax laws and rates expected to be in place when the deferred tax items are realized. We recognize tax positions initially in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. We provide a valuation allowance for deferred tax assets when it is more likely than not that a portion of such deferred tax assets will not be realized.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

We are exposed to various market risks, including changes in foreign currency exchange rates and interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices, such as foreign currency exchange and interest rates. We do not enter into derivatives or other financial instruments for trading or speculative purposes. We enter into financial instruments, from time to time, to manage the impact of changes in foreign currency exchange rates and interest rates and to hedge a portion of future anticipated currency transactions. The counterparties are primarily major financial institutions.

Interest Rate Risk

We manage our interest rate risk by balancing the amount of our fixed rate and variable rate debt. To manage its exposure to variable interest rates in a cost-efficient manner, the Company enters into interest rate swaps in which the Company agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. The Company entered into an interest rate swap agreement to fix the interest rate on an initial aggregate amount of $80.0 million of its initial $175.0 million of variable rate debt thereby reducing exposure to interest rate changes. Interest rate changes affect the fair market value of such debt but do not impact earnings or cash flows. Conversely, for variable rate debt, interest rate changes generally do not affect the fair market value of such debt, but do impact future earnings and cash flows, assuming other factors are held constant. The interest on the Term Loan Facility is variable and is comprised of 1) an applicable margin of either (i) 5.00% for base rate loans or (ii) 6.00% for LIBOR loans, and 2) LIBOR as quoted two business days prior to the commencement of an interest period provided that LIBOR at no time falls below 1.00%.

At December 31, 2019, the interest rate swap agreement was not designated as a hedging instrument; therefore, it has been marked-to-market and the fair value recorded in the Consolidated Balance Sheets with the offsetting gain or loss recorded in interest and other expense in our Consolidated Statements of Operations.

The interest rate swap agreement is more fully described in Note 4.

Foreign Currency Risk

Foreign currency risk is the risk that we will incur economic losses due to adverse changes in foreign currency exchange rates. We use forward exchange contracts to hedge certain foreign currency transaction exposures. We estimate our projected revenues and purchases in certain foreign currencies and locations and will hedge a portion or all of the anticipated long or short position. The contracts typically run from one month up to eighteen months. To mitigate our exposure to Mexican Pesos, where we have our greatest exposure, we have entered into multiple monthly forward exchange contracts that have been designated as cash flow hedge instruments which are recorded in the Consolidated Balance Sheets at fair value. Noncash gains and losses are deferred in

accumulated other comprehensive loss and recognized when settled in our Consolidated Statements of Operations. We do not hold or issue foreign exchange options or forward contracts for trading purposes.

Outstanding foreign currency forward exchange contracts at December 31, 2019 are more fully described in Note 4.

At December 31, 2019 and 2018, the potential reduction in earnings from a hypothetical instantaneous 10% adverse change in quoted foreign currency spot rates applied to foreign currency sensitive instruments would have been immaterial.

Foreign Currency Transactions

A portion of our revenues during the year ended December 31, 2019 were derived from manufacturing operations outside of the U.S. The results of operations and the financial position of our operations in these other countries are primarily measured in their respective currency and translated into U.S. Dollars. A portion of the expenses incurred in these countries is in currencies different from which revenue is generated. As discussed above, from time to time, we enter into forward exchange contracts to mitigate a portion of this currency risk. The reported income of these operations will be higher or lower depending on a weakening or strengthening of the U.S. Dollar against the respective foreign currency.

A portion of our long-term assets and liabilities at December 31, 2019 are based in our foreign operations and are translated into U.S. Dollars at foreign currency exchange rates in effect as of the end of each period with the effect of such translation reflected as a separate component of stockholders' equity. Accordingly, our stockholders' investment will fluctuate depending upon the weakening or strengthening of the U.S. Dollar against the respective foreign currency. The principal currencies of exposure are the Mexican Peso, Chinese Yuan, British Pound, Euro, Czech Koruna, Australian Dollar, Japanese Yen, Indian Rupee, Thai Baht, and Ukrainian Hryvnia. Foreign currency translation adversely impacted fiscal year 2019 revenues by $10.4 million, or 1.2%.

Effects of Inflation

Inflation potentially affects us in two principal ways. First, borrowings under our revolving credit facility is tied to prevailing short-term interest rates that may change as a result of inflation rates, translating into changes in interest expense. Second, general inflation can impact material purchases, labor, pension liabilities and other costs. In many cases, we have limited ability to pass through inflation-related cost increases due to the competitive nature of the markets that we serve. The significant rise in certain commodity prices negatively impacted our margins in 2019, 2018 and 2017.

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Item 8. ***Financial Statements and Supplementary Data***

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Commercial Vehicle Group, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Commercial Vehicle Group, Inc. and subsidiaries (the Company) as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes and financial statement schedule II: Valuation and Qualifying Accounts and Reserves (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2019, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 16, 2020 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

Restatement of Previously Issued Financial Statements

As discussed in Note 2 to the consolidated financial statements, the Company has restated its consolidated financial statements as of December 31, 2018 and for the year ended December 31, 2018 to correct misstatements.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, effective January 1, 2019, the Company changed its method of accounting for leases due to the adoption of Financial Accounting Standards Board Accounting Standards Codification Topic 842, *Leases*.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2012.

Columbus, Ohio
March 16, 2020

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COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
December 31, 2019 and 2018

	2019	2018 (as restated)
ASSETS	(in thousands, except share and per share amounts)	
Current Assets:		
Cash	$ 39,511	$ 70,913
Accounts receivable, net of allowances of $4,634 and $5,139, respectively	115,099	133,935
Inventories	82,872	92,359
Other current assets	18,490	12,080
Total current assets	255,972	309,287
Property, Plant and Equipment:		
Land and buildings	29,153	26,240
Machinery and equipment	186,511	173,771
Construction in progress	12,961	6,650
Less accumulated depreciation	(154,939)	(142,560)
Property, plant and equipment, net	73,686	64,101
Operating lease right-of-use asset, net	34,960	—
Goodwill	27,816	7,576
Intangible assets, net of accumulated amortization of $11,440 and $9,568, respectively	25,258	12,800
Deferred income taxes, net	14,654	16,341
Other assets	3,480	2,583
TOTAL ASSETS	$ 435,826	$ 412,688
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Current Liabilities:		
Accounts payable	$ 63,058	$ 86,645
Current operating lease liabilities	7,620	—
Accrued liabilities and other	32,673	36,969
Current portion of long-term debt	3,256	9,102
Total current liabilities	106,607	132,716
Long-term debt	153,128	154,656
Long-term operating lease liabilities	29,414	—
Pension and other post-retirement liabilities	10,666	12,065
Other long-term liabilities	7,323	3,655
Total liabilities	307,138	303,092
Commitments and contingencies (Note 13)		
Stockholders’ Equity:		
Preferred stock, $.01 par value (5,000,000 shares authorized; no shares issued and outstanding)	—	—
Common stock, $.01 par value (60,000,000 shares authorized; 30,801,255 and 30,512,843 shares issued and outstanding, respectively)	323	318
Treasury stock, at cost: 1,464,392 and 1,334,251 shares, respectively	(11,230)	(10,245)
Additional paid-in capital	245,852	243,007
Retained deficit	(60,307)	(76,013)
Accumulated other comprehensive loss	(45,950)	(47,471)
Total stockholders’ equity	128,688	109,596
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 435,826	$ 412,688

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

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended December 31, 2019, 2018 and 2017

	2019	2018 (as restated)	2017
	(In thousands, except per share amounts)		
Revenues	$ 901,238	$ 897,737	$ 755,231
Cost of revenues	796,101	772,817	664,360
Gross Profit	105,137	124,920	90,871
Selling, general and administrative expenses	62,549	60,679	59,547
Amortization expense	1,952	1,300	1,320
Operating Income	40,636	62,941	30,004
Other (expense) income	(2,225)	1,311	1,943
Interest expense	16,855	14,676	19,149
Income Before Provision for Income Taxes	21,556	49,576	12,798
Provision for income taxes	5,778	8,087	15,067
Net income (loss)	$ 15,778	$ 41,489	$ (2,269)
Earnings (loss) per common share			
Basic	$ 0.52	$ 1.37	$ (0.08)
Diluted	$ 0.51	$ 1.36	$ (0.08)
Weighted average shares outstanding			
Basic	30,602	30,277	29,942
Diluted	30,823	30,587	29,942

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

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Years Ended December 31, 2019, 2018 and 2017

	2019	2018 (as restated)	2017
		(In thousands)	
Net income (loss)	$ 15,778	$ 41,489	$ (2,269)
Other comprehensive (loss) income:			
Foreign currency translation adjustments	(1,185)	(5,675)	7,141
Minimum pension liability, net of tax	2,738	(1,057)	469
Derivative instrument	(32)	496	—
Other comprehensive income (loss)	1,521	(6,236)	7,610
Comprehensive income	$ 17,299	$ 35,253	$ 5,341

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

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2019, 2018 and 2017

	Common Stock						
	Shares	Amount	Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accum. Other Comp. Loss	Total CVG Stockholders' Equity
	(In thousands, except share data)						
BALANCE - December 31, 2016	29,871,354	$ 299	$ (7,753)	$ 237,367	$ (115,233)	$ (48,845)	$ 65,835
Issuance of restricted stock	509,306	5	—	—	—	—	5
Surrender of common stock by employees	(161,382)	—	(1,361)	—	—	—	(1,361)
Share-based compensation expense	—	—	—	2,503	—	—	2,503
Total comprehensive income	—	—	—	—	(2,269)	7,610	5,341
BALANCE - December 31, 2017	30,219,278	$ 304	$ (9,114)	$ 239,870	$ (117,502)	$ (41,235)	$ 72,323
Issuance of restricted stock	452,021	14		—	—	—	14
Surrender of common stock by employees	(158,456)	—	(1,131)	—	—	—	(1,131)
Share-based compensation expense	—	—	—	3,137	—	—	3,137
Total comprehensive income (as restated)	—	—	—	—	41,489	(6,236)	35,253
BALANCE - December 31, 2018 (as restated)	30,512,843	$ 318	$ (10,245)	$ 243,007	$ (76,013)	$ (47,471)	$ 109,596
Issuance of restricted stock	418,553	5	—	—	—	—	5
Surrender of common stock by employees	(130,141)	—	(985)	—	—	—	(985)
Share-based compensation expense	—	—	—	2,845	—	—	2,845
Cumulative effect of adoption of Topic 842	—	—	—	—	(72)	—	(72)
Total comprehensive income	—	—	—	—	15,778	1,521	17,299
BALANCE - December 31, 2019	30,801,255	$ 323	$ (11,230)	$ 245,852	$ (60,307)	$ (45,950)	$ 128,688

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

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019, 2018 and 2017

	2019	2018 (as restated)	2017
		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 15,778	$ 41,489	$ (2,269)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	15,514	15,270	15,196
Provision for doubtful accounts	6,861	7,607	5,622
Noncash amortization of debt financing costs	1,393	1,404	1,251
Shared-based compensation expense	2,843	3,137	2,503
Deferred income taxes	1,562	5,031	7,709
Noncash loss (gain) on forward exchange contracts	1,972	(1,468)	(726)
Change in other operating items:			
Accounts receivable	11,954	(34,987)	(13,792)
Inventories	9,495	4,836	(25,104)
Prepaid expenses	(1,793)	(2,292)	179
Accounts payable	(24,261)	1,451	23,250
Accrued liabilities	(3,525)	2,631	(12,284)
Other operating activities, net	(1,047)	(3,117)	722
Net cash provided by operating activities	36,746	40,992	2,257
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property, plant and equipment	(24,002)	(14,150)	(13,458)
Proceeds from disposal/sale of property, plant and equipment	23	49	2,682
Payments for acquisition of business	(34,000)	—	—
Net cash used in investing activities	(57,979)	(14,101)	(10,776)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings of Revolving Credit Facility	35,700	80,500	—
Repayment of Revolving Credit Facility	(35,700)	(80,500)	—
Borrowings of Term Loan Facility	—	—	175,000
Repayment of Term Loan Facility	(8,525)	(4,375)	(2,188)
Surrender of common stock by employees	(985)	(1,131)	(1,361)
Redemption of Notes	—	—	(235,000)
Prepayment charge for redemption of Notes	—	—	(1,543)
Payment of Term Loan Facility discount	—	—	(3,500)
Payment of debt issuance costs	(160)	—	(4,256)
Other financing activities, net	(443)	(329)	—
Net cash used in financing activities	(10,113)	(5,835)	(72,848)
EFFECT OF CURRENCY EXCHANGE RATE CHANGES ON CASH	(56)	(2,387)	3,451
NET INCREASE (DECREASE) IN CASH	(31,402)	18,669	(77,916)
CASH:			
Beginning of period	70,913	52,244	130,160
End of period	$ 39,511	$ 70,913	$ 52,244
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid for interest	$ 13,873	$ 14,046	$ 18,572
Cash paid for income taxes, net	$ 8,774	$ 3,143	$ 3,276
Unpaid purchases of property and equipment included in accounts payable	$ 624	$ 509	$ 109

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

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2019, 2018 and 2017

1. Significant Accounting Policies

Organization - Commercial Vehicle Group, Inc. (through its subsidiaries) is a leading supplier of electrical wire harnesses, seating systems, and a full range of other cab related products for the global commercial vehicle markets, including the medium- and heavy-duty truck, medium-and heavy-construction vehicle, military, bus, agriculture, specialty transportation, mining, industrial equipment and off-road recreational markets.

We are differentiated from automotive industry suppliers by our ability to manufacture low volume, customized products on a sequenced basis to meet the requirements of our customers. We believe our products are used by a majority of the North American MD/HD Truck and many medium- and heavy-duty construction vehicle original equipment manufacturers (“OEMs”), and to a lesser extent other makers of industrial equipment.

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

We report our financial results by business segment; more specifically, Electrical Systems and Global Seating. The Company’s Chief Operating Decision Maker (“CODM”), its President and Chief Executive Officer, reviews financial information for these two reportable segments and makes decisions regarding the allocation of resources based on these segments. See Note 12 of the Notes to Consolidated Financial Statements for more information.

Unless otherwise indicated, all amounts are in thousands, except share and per share amounts.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of our wholly-owned or controlled subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include allowance for doubtful accounts, inventory reserves, goodwill, intangible and long-lived assets, pension and other post-retirement benefits, product warranty reserves, litigation reserves, and income tax valuation allowances. Actual results may differ materially from those estimates.

Cash - Cash consists of deposits with high credit-quality financial institutions.

Accounts Receivable - Trade accounts receivable are stated at current value less allowances, which approximates fair value. We review our receivables on an ongoing basis to ensure that they are properly valued and collectible.

The allowance for doubtful accounts is used to record the estimated risk of loss related to our customers’ inability to pay. This allowance is maintained at a level that we consider appropriate based on factors that affect collectability, such as the financial health of our customers, historical trends of charge-offs and recoveries and current economic market conditions. As we monitor our receivables, we identify customers that may have payment problems and adjust the allowance accordingly, with the offset to selling, general and administrative expense. Account balances are charged off against the allowance when recovery is considered remote.

Inventories - Inventories are valued at the lower of first-in, first-out cost or market and are measured at the lower of cost or net realizable value. Inventory quantities on-hand are regularly reviewed and when necessary provisions for excess and obsolete inventory are recorded based primarily on our estimated production requirements, taking into consideration expected market volumes and future potential use.

Property, Plant and Equipment - Property, plant and equipment are stated at cost, net of accumulated depreciation. For financial reporting purposes, depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	15 to 40 years
Machinery and equipment	3 to 20 years
Tools and dies	3 to 7 years
Computer hardware and software	3 to 5 years

Expenditures for maintenance and repairs are charged to expense as incurred. Expenditures for major betterments and renewals that extend the useful lives of property, plant and equipment are capitalized and depreciated over the remaining useful lives of the asset. When assets are retired or sold, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the results of operations. Leasehold improvements are amortized using the straight-line method over the estimated useful lives of the improvements or the term of the lease, whichever is shorter. Accelerated depreciation methods are used for tax reporting purposes. Depreciation expense for property, plant and equipment for each of the years ended December 31, 2019, 2018 and 2017 was $13.6 million, $14.0 million and $13.9 million, respectively.

We review long-lived assets for recoverability whenever events or changes in circumstances indicate that carrying amounts of an asset group may not be recoverable. Our asset groups are established by determining the lowest level of cash flows available. If the estimated undiscounted cash flows are less than the carrying amounts of such assets, we recognize an impairment loss in an amount necessary to write down the assets to fair value as estimated from expected future discounted cash flows. Estimating the fair value of these assets is judgmental in nature and involves the use of significant estimates and assumptions. We base our fair value estimates on assumptions we believe to be reasonable, but that are inherently uncertain.

Revenue Recognition - We recognize revenue when our performance obligation has been satisfied and control of products has been transferred to a customer, which typically occurs upon shipment. Revenue is measured based on the amount of consideration we expect to receive in exchange for the transfer of goods or services.

Returns and allowances are used to record estimates of returns or allowances resulting from quality, delivery, discounts or other issues affecting the value of receivables. This amount is estimated based on historical trends and current market conditions, with the offset to revenues.

Income Taxes - We recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been included in our financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statements and tax basis of assets and liabilities based on enacted tax laws and rates expected to be in place when the deferred tax items are realized. In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that a portion of the deferred tax assets will not be realized. We provide a valuation allowance for deferred tax assets when it is more likely than not that a portion of such deferred tax assets will not be realized.

We evaluate tax positions for recognition by determining, based on the weight of available evidence, whether it is more likely than not the position will be sustained upon audit. Any interest and penalties related to our uncertain tax positions are recognized in income tax expense.

Comprehensive Income (Loss) - Comprehensive income (loss) reflects the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources including foreign currency translation, derivative instruments and pension and other post-retirement adjustments. See Note 18 for a rollforward of activity in accumulated comprehensive loss.

Fair Value of Financial Instruments - The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (i.e., 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 - Unadjusted quoted prices in active markets for identical assets and liabilities.

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

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

Concentrations of Credit Risk - Financial instruments that potentially subject us to concentrations of credit risk consist primarily of accounts receivable. We sell products to various companies throughout the world in the ordinary course of business. We routinely assess the financial strength of our customers and maintain allowances for anticipated losses. As of December 31, 2019 and 2018, receivables from our largest customers, A.B. Volvo, Daimler Trucks, Caterpillar, Navistar, John Deere and PACCAR, represented approximately 62% and 66% of total receivables, respectively.

Foreign Currency Translation - Our functional currency is the local currency. Accordingly, all assets and liabilities of our foreign subsidiaries are translated using exchange rates in effect at the end of the period; revenue and costs are translated using average exchange rates for the period. The related translation adjustments are reported in accumulated other comprehensive income (loss) in stockholders' equity. Translation gains and losses arising from transactions denominated in a currency other than the functional currency of the entity are included in the results of operations.

Foreign Currency Forward Exchange Contracts - We use forward exchange contracts to hedge certain foreign currency transaction exposures. We estimate our projected revenues and purchases in certain foreign currencies or locations and hedge a portion of the anticipated long or short position. The contracts typically run from one month to eighteen months. All forward foreign exchange contracts that are not designated as hedging instruments have been marked-to-market and the fair value of contracts recorded in the Consolidated Balance Sheets with the offsetting non-cash gain or loss recorded in our Consolidated Statements of Operations. For forward contracts that are designated as hedging instruments, the gains and losses are recorded in accumulated other comprehensive income (loss) and recognized in the Consolidated Statement of Operations when the contracts are settled. We do not hold or issue foreign exchange options or forward contracts for trading purposes.

Interest Rate Swap Agreement - We use an interest rate swap agreement to fix the interest rate on a portion of our variable interest debt thereby reducing exposure to interest rate changes. The interest rate swap agreement was not designated as a hedging instrument; therefore, the interest rate swap agreement has been marked-to-market and the fair value of the agreement recorded in the Consolidated Balance Sheets with the offsetting gain or loss recorded in interest and other expense in our Consolidated Statements of Operations.

Recently Issued Accounting Pronouncements

In July 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2019-07, "Codification Updates to SEC Sections". ASU No. 2019-07 clarifies or improves the disclosure and presentation requirements of a variety of codification topics by aligning them with the SEC's regulations, thereby eliminating redundancies. This ASU is effective upon issuance and did not have a significant impact on the Company's consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326)". The ASU requires financial assets measured at amortized cost basis to be presented at the net amount expected to be collected. The FASB subsequently issued ASU No. 2018-19, "Codification Improvements to Topic 326: Financial Instruments - Credit Losses", in November 2018 which provided further guidance on assessment of receivables for operating leases. ASU No. 2019-04, "Codification Improvements to Topic 326, Topic 815 and Topic 825" and ASU No. 2019-05, "Targeted Transition Relief", that were issued in April and May of 2019 do not materially impact the Company. In November 2019, the FASB issued ASU No. 2019-11, "Codification Improvements to Topic 326, Financial Instruments - Credit Losses", which further clarified and improved the Codification to make it easier to understand and apply. The Company anticipates ASU 2016-13, ASU 2018-19 and ASU 2019-11 will apply to its trade receivables and will not have a material impact on the reported value of such receivables. We expect to implement ASU No. 2016-13, 2018-19 and 2019-11 on the effective date of January 1, 2020.

In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes". The ASU simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 and otherwise clarifies and amends existing guidance. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020. We are evaluating the effect this ASU will have on the Company.

Accounting Pronouncements Implemented During the Year Ended December 31, 2019

In June 2018, the FASB issued ASU No. 2018-07, "Compensation - Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting". The ASU changed the measurement date for determining the fair value of share awards to nonemployees to the grant date and requires the consideration of the probability of satisfying performance obligations in assessing the awards. The ASU did not have a material impact on our recognition of share-based payments for nonemployees.

Lease Accounting Guidance

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" followed by ASU No. 2018-11, "Leases (Topic 842): Targeted Improvements", issued in July 2018. These ASUs are intended to increase transparency and comparability among companies by recognizing lease assets and liabilities and disclosing key information about leasing arrangements. ASU 2016-02 was adopted by the Company on January 1, 2019.

In accordance with Topic 842, we elected not to recognize lease assets and lease liabilities for leases with a term of twelve months or less and elected to not separate lease and non-lease components. We elected the transition method option under ASU 2018-11 with the package of practical expedients that permits the Company to: (a) not reassess whether expired or existing contracts contain

leases, (b) not reassess lease classification for existing or expired leases and (c) not consider whether previously capitalized initial direct costs would be appropriate under the new standard. We recorded a right-of-use asset of $21.2 million and a lease liability of $22.2 million upon adoption. We also elected the option to apply the new leasing standard on the date of adoption and recognize a cumulative-effect transition adjustment to the opening balance of retained earnings in the period of adoption resulting in a cumulative effect as of January 1, 2019 of $0.1 million. Refer to Note 6 for further details.

2. Restatement of Previously Issued Consolidated Financial Statements

Restatement Background

On March 12, 2020, the Audit Committee of the Board of Directors (the “Audit Committee”) of the Company, after considering the recommendations of management, and discussing such recommendations with outside SEC counsel, concluded that our 2018 Financial Statements, included in our Annual Report on Form 10-K as of and for the fiscal year ended December 31, 2018 (the “2018 Annual Report”), and our unaudited consolidated financial statements as of and for the quarterly periods ended March 31, 2019 and 2018, June 30, 2019 and 2018, and September 30, 2019 and 2018, included in our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2019, June 30, 2019 and September 30, 2019 (the "2019 Quarterly Reports”), should no longer be relied upon due to misstatements that are described in greater detail below, and that we would restate such financial statements to make the necessary accounting corrections.

During the preparation of our Annual Report on Form 10-K for the year ended December 31, 2019 (the “2019 Annual Report”), we noted a potential overstatement of the prepaid production tooling account of our vehicle cab structures manufacturing facility (presented in other current assets in the consolidated balance sheets). An investigation was conducted, under the direction of the Audit Committee, by external counsel with the assistance of a forensic accounting firm. As a result of the investigation, the Company concluded that the misstatements in our consolidated financial statements for the periods identified above were due to a former employee preparing manual journal entries to understate cost of revenues by improperly capitalizing certain manufacturing expenses, primarily in the prepaid production tooling account. The former employee made intentional misrepresentations during the investigation. During the course of, and as a result of, the investigation, the Company terminated the former employee and has taken additional personnel actions.

The Company evaluated the materiality of these errors both qualitatively and quantitatively in accordance with Staff Accounting Bulletin (“SAB”) No. 99, *Materiality* and SAB No. 108, *Considering the Effects of Prior Year Misstatements in Current Year Financial Statements*, and determined the effect of these corrections was material to the consolidated financial statements as of and for the year ended December 31, 2018 and the quarterly periods ended March 31, 2019 and 2018, June 30, 2019 and 2018, and September 30, 2019 and 2018. As a result of the material misstatements, we have restated our consolidated financial statements as of and for the year ended December 31, 2018 and our unaudited consolidated financial statements as of and for the quarterly periods ended March 31, 2019 and 2018, June 30, 2019 and 2018, and September 30, 2019 and 2018, in accordance with ASC 250, *Accounting Changes and Error Corrections* (the "Restated Financial Statements").

Based on the analysis noted above, the correction of errors resulting from the former employee's actions noted above were immaterial to the previously reported consolidated financial statements as of and for the year ended December 31, 2017 (the “2017 Annual Report”). The amounts in the 2017 Annual Report have been revised to reflect the correction of these errors.

In addition to the adjustments to correct the understatement of cost of revenues and impacted balance sheet accounts, we also made an adjustment to correct an overstatement of property, plant and equipment (“PPE”) that was no longer in service as of the year ended December 31, 2016, and was unrelated to the correction of errors resulting from the former employee's actions. The Company evaluated this error in accordance with SAB 99 and 108 and concluded that the correction of the PPE error was immaterial to our consolidated financial statements.

The restated interim financial information for the relevant unaudited interim financial statements for the quarterly periods ended March 31, 2019 and 2018, June 30, 2019 and 2018, September 30, 2019 and 2018, and December 31, 2018, is included in Note 19.

The restatement adjustments and error correction and their impact on previously reported consolidated financial statements are described below.

(a) Understatement of cost of revenues and impacted balance sheet accounts - Corrections for the understatement of cost of revenues by improperly capitalizing certain manufacturing expenses. Balance sheet accounts adjusted as a result of

the improper capitalization of expenses include other current assets, accounts receivable, net of allowances and construction in progress.

(b) Property, plant and equipment, net - We recorded an adjustment for a previously identified property, plant and equipment, net error unrelated to the understatement of cost of revenues and related balance sheet accounts misstatements. This PPE was no longer in service as of and for the year ended December 31, 2016.

Summary impact of restatement adjustments and immaterial error correction to previously reported financial information

The following tables present the summary impacts of the restatement adjustments and immaterial error correction on our previously reported retained deficit and total stockholders' equity for the year ended December 31, 2016, and income before provision for income taxes and net income (loss) for the years ended December 31, 2018 and 2017:

	December 31, 2016	
	Retained deficit	**Total Stockholders' Equity**
As previously reported	$ (113,378)	$ 67,690
Cumulative adjustments	(1,855)	(1,855)
As adjusted	$ (115,233)	$ 65,835

	For the years ended December 31,	
	2018	**2017**
Income before income taxes - as previously reported	$ 53,508	$ 13,645
Restatement adjustments	(4,080)	—
Error corrections	148	(847)
Income before income taxes - as restated / adjusted	$ 49,576	$ 12,798
Net income (loss) - as previously reported	$ 44,512	$ (1,705)
Restatement adjustments	(3,135)	—
Error corrections	112	(564)
Net income (loss) - as restated / adjusted	$ 41,489	$ (2,269)

The following table presents the effect of the error correction on the Company's consolidated balance sheets for the period indicated:

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	As of December 31, 2018			
	As Previously Reported	**Restatement Adjustments**	**As Restated**	**Restatement References**
ASSETS				
Current Assets:				
Cash	$ 70,913	$ —	$ 70,913	
Accounts receivable, net of allowances of $5,139	134,624	(689)	133,935	a
Inventories	92,359	—	92,359	
Other current assets	16,828	(4,748)	12,080	a
Total current assets	314,724	(5,437)	309,287	
Property, Plant and Equipment:				
Land and buildings	26,240	—	26,240	
Machinery and equipment	175,990	(2,219)	173,771	b
Construction in progress	6,650	—	6,650	
Less accumulated depreciation	(143,781)	1,221	(142,560)	b
Property, plant and equipment, net	65,099	(998)	64,101	
Goodwill	7,576	—	7,576	
Intangible assets, net of accumulated amortization of of $9,568	12,800	—	12,800	
Deferred income taxes, net	15,348	993	16,341	a, b
Other assets	2,583	—	2,583	
TOTAL ASSETS	$ 418,130	$ (5,442)	$ 412,688	
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Accounts payable	$ 86,645	$ —	$ 86,645	
Accrued liabilities and other	36,969	—	36,969	
Current portion of long-term debt	9,102	—	9,102	
Total current liabilities	132,716	—	132,716	
Long-term debt	154,656	—	154,656	
Pension and other post-retirement liabilities	12,065	—	12,065	
Other long-term liabilities	3,655	—	3,655	
Total liabilities	303,092	—	303,092	
Stockholders' Equity:				
Preferred stock, $.01 par value (5,000,000 shares authorized; no shares issued and outstanding)	—	—	—	
Common stock, $.01 par value (60,000,000 shares authorized; 30,512,843 shares issued and outstanding)	318	—	318	
Treasury stock, at cost: 1,334,251 shares	(10,245)	—	(10,245)	
Additional paid-in capital	243,007	—	243,007	
Retained deficit	(70,571)	(5,442)	(76,013)	a, b
Accumulated other comprehensive loss	(47,471)	—	(47,471)	
Total CVG stockholders' equity	115,038	(5,442)	109,596	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 418,130	$ (5,442)	$ 412,688	

As of December 31, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.7 million decrease in accounts receivable, net; a $4.7 million decrease in other current assets; a $1.3 million increase in long-term deferred tax assets; and a $4.1 million increase in retained deficit.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $2.2 million decrease in machinery and equipment; a $1.2 million decrease in accumulated depreciation; a $0.3 million decrease in long-term deferred tax assets; and a $1.3 million increase in retained deficit.

The following table presents the effect of the error corrections on the consolidated statements of income for the periods indicated:

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31, 2018			For the Year Ended December 31, 2017			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Adjustments	As Adjusted	Restatement References
Revenues	$ 897,737	$ —	$ 897,737	$ 755,231	$ —	$ 755,231	
Cost of revenues	768,885	3,932	772,817	663,513	847	664,360	a, b
Gross profit	$ 128,852	$ (3,932)	$ 124,920	$ 91,718	$ (847)	$ 90,871	
Selling, general and administrative expenses	60,679	—	60,679	59,547	—	59,547	
Amortization expense	1,300	—	1,300	1,320	—	1,320	
Operating income	$ 66,873	$ (3,932)	$ 62,941	$ 30,851	$ (847)	$ 30,004	
Other expense	1,311	—	1,311	1,943	—	1,943	
Interest expense	14,676	—	14,676	19,149	—	19,149	
Income before provision for income taxes	$ 53,508	$ (3,932)	$ 49,576	$ 13,645	$ (847)	$ 12,798	a, b
Provision for income taxes	8,996	(909)	8,087	15,350	(283)	15,067	a, b
Net income (loss)	$ 44,512	$ (3,023)	$ 41,489	$ (1,705)	$ (564)	$ (2,269)	
Earnings (loss) per common share							
Basic	$ 1.47	$ (0.10)	$ 1.37	$ (0.06)	$ (0.02)	$ (0.08)	
Diluted	$ 1.46	$ (0.10)	$ 1.36	$ (0.06)	$ (0.02)	$ (0.08)	
Weighted average shares outstanding							
Basic	30,277	30,277	30,277	29,942	29,942	29,942	
Diluted	30,587	30,587	30,587	29,942	29,942	29,942	

For the year ended December 31, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $4.1 million increase in cost of revenues; a $1.0 million decrease in provision for income taxes; and a $3.1 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million decrease in cost of revenues; an immaterial increase in provision for income taxes; and a $0.1 million increase in net income.

For the year ended December 31, 2017

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.0 million increase in cost of revenues; a $0.2 million decrease in provision for income taxes; and a $0.8 million increase in net loss.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million decrease in cost of revenues; a $0.1 million decrease in provision for income taxes; and a $0.2 million decrease in net loss.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	For the Year Ended December 31, 2018			For the Year Ended December 31, 2017			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Adjustments	As Adjusted	Restatement References
Net income (loss)	$ 44,512	$ (3,023)	$ 41,489	$ (1,705)	$ (564)	$ (2,269)	a, b
Other comprehensive (loss) income:							
Foreign currency translation adjustments	(5,675)	—	(5,675)	7,141	—	7,141	
Minimum pension liability, net of tax	(1,057)	—	(1,057)	469	—	469	
Derivative instrument	496	—	496	—	—	—	
Other comprehensive (loss) income	$ (6,236)	$ —	$ (6,236)	$ 7,610	$ —	$ 7,610	
Comprehensive income (loss)	$ 38,276	$ (3,023)	$ 35,253	$ 5,905	$ (564)	$ 5,341	

For the year ended December 31, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $3.1 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, Plant and Equipment, Net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

For the year ended December 31, 2017

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.8 million increase in net loss. Refer to descriptions of the adjustments and their impacts to net loss above.

(b) Property, Plant and Equipment, Net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.2 million decrease in net loss. Refer to descriptions of the adjustment and its impact to net loss above.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock		Treasury Stock	Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Total CVG Stockholders' Equity
	Shares	Amount					
BALANCE - December 31, 2016 (As Previously Reported)	29,871,354	$ 299	$ (7,753)	$ 237,367	$ (113,378)	$ (48,845)	$ 67,690
Cumulative adjustments	—	—	—	—	(1,855)	—	(1,855)
BALANCE - December 31, 2016 (As Adjusted)	29,871,354	$ 299	$ (7,753)	$ 237,367	$ (115,233)	$ (48,845)	$ 65,835
BALANCE - December 31, 2017 (As Previously Reported)	30,219,278	$ 304	$ (9,114)	$ 239,870	$ (115,083)	$ (41,235)	$ 74,742
Cumulative adjustments	—	—	—	—	(2,419)	—	(2,419)
BALANCE - December 31, 2017 (As Adjusted)	30,219,278	$ 304	$ (9,114)	$ 239,870	$ (117,502)	$ (41,235)	$ 72,323
BALANCE - December 31, 2018 (As Previously Reported)	30,512,843	$ 318	$ (10,245)	$ 243,007	$ (70,571)	$ (47,471)	$ 115,038
Cumulative restatement adjustments	—	—	—	—	(5,442)	—	(5,442)
BALANCE - December 31, 2018 (As Restated)	30,512,843	$ 318	$ (10,245)	$ 243,007	$ (76,013)	$ (47,471)	$ 109,596

As of December 31, 2018, 2017 and 2016

The increase in retained deficit and corresponding decrease of total CVG stockholders' equity for each restated period was the result of the adjustments for understatement of costs of revenues and impacted balance sheet accounts and the adjustment to property, plant and equipment, net. These adjustments resulted in a $5.4 million increase in retained deficit and corresponding decrease of total CVG stockholders' equity as of December 31, 2018, a $2.4 million increase in retained deficit and corresponding decrease of total CVG stockholders' equity as of December 31, 2017, and a $1.9 million increase in retained deficit and corresponding decrease of total CVG stockholders' equity as of December 31, 2016.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW

	For the Year Ended December 31, 2018			
	As Previously Reported	**Restatement Adjustments**	**As Restated**	**Restatement References**
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net (loss) income	$ 44,512	$ (3,023)	$ 41,489	a, b
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation and amortization	15,418	(148)	15,270	b
Provision for doubtful accounts	7,607	—	7,607	
Noncash amortization of debt financing costs	1,404	—	1,404	
Shared-based compensation expense	3,137	—	3,137	
Deferred income tax	5,940	(909)	5,031	a, b
Noncash (gain) loss on derivative contracts	(1,468)	—	(1,468)	
Change in other operating items:				
Accounts receivable	(35,674)	687	(34,987)	a
Inventories	4,836	—	4,836	
Prepaid expenses	(5,685)	3,393	(2,292)	a
Accounts payable	1,451	—	1,451	
Accrued liabilities	2,631	—	2,631	
Other operating activities, net	(3,117)	—	(3,117)	
Net cash provided by operating activities	40,992	—	40,992	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	(14,150)	—	(14,150)	
Proceeds from disposal/sale of property, plant and equipment	49	—	49	
Net cash used in investing activities	(14,101)	—	(14,101)	
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings of Revolving Credit Facility	80,500	—	80,500	
Repayment of Revolving Credit Facility	(80,500)	—	(80,500)	
Repayment of Term Loan Facility principal	(4,375)	—	(4,375)	
Surrender of common stock by employees	(1,131)	—	(1,131)	
Other financing activities, net	(329)	—	(329)	
Net cash used in financing activities	(5,835)	—	(5,835)	
EFFECT OF CURRENCY EXCHANGE RATE CHANGES ON CASH	(2,387)	—	(2,387)	
NET (DECREASE) INCREASE IN CASH	18,669	—	18,669	
CASH:				
Beginning of period	52,244	—	52,244	
End of period	$ 70,913	$ —	$ 70,913	
SUPPLEMENTAL CASH FLOW INFORMATION:				
Cash paid for interest	$ 14,046	$ —	$ 14,046	
Cash paid for income taxes, net	$ 3,143	$ —	$ 3,143	
Unpaid purchases of property and equipment included in accounts payable	$ 509	$ —	$ 509	

For the year ended December 31, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $3.1 million decrease in net income; a $0.9 million decrease in deferred income

tax; a $0.7 million decrease in change in accounts receivable; and a $3.4 million decrease in change in prepaid expenses. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million increase in net income; a $0.1 million decrease in depreciation expense; and an immaterial increase in deferred income tax. Refer to descriptions of the adjustment and its impact to net income above.

The impact of these error corrections to relevant segment and quarterly financial information is presented in Notes 12 and 19 to these consolidated financial statements, respectively.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW

	For the Year Ended December 31, 2017			
	As Previously Reported	Adjustments	As Adjusted	Restatement References
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net (loss) income	$ (1,705)	$ (564)	$ (2,269)	a, b
Adjustments to reconcile net (loss) income to net cash provided by operating activities:				
Depreciation and amortization	15,344	(148)	15,196	b
Provision for doubtful accounts	5,622	—	5,622	
Noncash amortization of debt financing costs	1,251	—	1,251	
Shared-based compensation expense	2,503	—	2,503	
(Gain) loss on sale of assets	(586)	—	(586)	
Deferred income tax	7,992	(283)	7,709	a, b
Noncash (gain) loss on derivative contracts	(726)	—	(726)	
Change in other operating items:				
Accounts receivable	(13,794)	2	(13,792)	a
Inventories	(25,104)	—	(25,104)	
Prepaid expenses	(814)	993	179	a
Accounts payable	23,250	—	23,250	
Accrued liabilities	(12,284)	—	(12,284)	
Other operating activities, net	1,308	—	1,308	
Net cash provided by operating activities	2,257	—	2,257	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	(13,458)	—	(13,458)	
Proceeds from disposal/sale of property, plant and equipment	2,682	—	2,682	
Net cash used in investing activities	(10,776)	—	(10,776)	
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings of Term Loan Facility	175,000	—	175,000	
Repayment of Term Loan Facility principal	(2,188)	—	(2,188)	
Surrender of common stock by employees	(1,361)	—	(1,361)	
Redemption of Notes	(235,000)	—	(235,000)	
Prepayment charge for redemption of Notes	(1,543)	—	(1,543)	
Payment of Term Loan Facility discount	(3,500)	—	(3,500)	
Payment of debt issuance costs	(4,256)	—	(4,256)	
Net cash used in financing activities	(72,848)	—	(72,848)	
EFFECT OF CURRENCY EXCHANGE RATE CHANGES ON CASH	3,451	—	3,451	
NET (DECREASE) INCREASE IN CASH	(77,916)	—	(77,916)	
CASH:				
Beginning of period	130,160	—	130,160	
End of period	$ 52,244	$ —	$ 52,244	
SUPPLEMENTAL CASH FLOW INFORMATION:				
Cash paid for interest	$ 18,572	$ —	$ 18,572	
Cash paid for income taxes, net	$ 3,276	$ —	$ 3,276	
Unpaid purchases of property and equipment included in accounts payable	$ 109	$ —	$ 109	

For the year ended December 31, 2017

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.8 million increase in net loss; a $0.2 million decrease in deferred income tax; an immaterial decrease in change in accounts receivable; and a $1.0 million decrease in change in prepaid expenses. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.2 million decrease in net loss; a $0.1 million decrease in depreciation expense; and a $0.1 million decrease in deferred income tax.

Refer to descriptions of the adjustment and its impact to net income above. The impact of these error corrections to relevant segment and quarterly financial information is presented in Notes 12 and 19 to these consolidated financial statements, respectively.

3. Revenue Recognition

Our products include electrical wire harnesses, control panels and assemblies; trim systems and components ("Trim"); cab structures and sleeper boxes; mirrors, wipers and controls; and seats and seating systems ("Seats"). We sell these products into multiple geographic regions including North America, Europe and Asia-Pacific and to multiple customer end markets including MD/HD Truck OEMs, Bus OEMs, Construction OEMs, the aftermarket and other markets. The nature, timing and uncertainty of recognition of revenue and associated cash flows across the varying product lines, geographic regions and customer end markets is substantially consistent.

Contractual Arrangements
Revenue is measured based on terms and conditions specified in contracts or purchase orders with customers. We have long-term contracts with some customers that govern overall terms and conditions which are accompanied by purchase orders that define specific order quantities and/or price. We have many customers with which we conduct business outlined in purchase orders without a long-term contract. We generally do not have customer contracts with minimum order quantity requirements.

Amount and Timing of Revenue Recognition
The transaction price is based on the consideration to which the Company will be entitled in exchange for transferring control of a product to the customer. This is defined in a purchase order or in a separate pricing arrangement and represents the stand-alone selling price. Our payment terms vary by customer. None of the Company's business arrangements as of December 31, 2019, contained a significant financing component. We typically do not have multiple performance obligations requiring us to allocate a transaction price.

We recognize revenue at the point in time when we satisfy a performance obligation by transferring control of a product to a customer, usually at a designated shipping point and in accordance with customer specifications. We make estimates for potential customer returns or adjustments based on historical experience, which reduce revenues.

Other Matters
Shipping and handling costs billed to customers are recorded in revenues and costs associated with outbound freight are generally accounted for as a fulfillment cost and are included in cost of revenues. We generally do not provide for extended warranties or material customer incentives. Our customers typically do not have a general right of return for our products.

We had outstanding customer accounts receivable, net of allowances, of $115.1 million as of December 31, 2019 and $133.9 million as of December 31, 2018. We generally do not have other assets or liabilities associated with customer arrangements. In general, we do not make significant judgments or have variable consideration that impact our recognition of revenue.

Refer to Note 12 for revenue disclosures by reportable segments.

4. Fair Value Measurement

At December 31, 2019, our financial instruments consisted of cash, accounts receivable, accounts payable, accrued liabilities and our revolving credit facility. The carrying value of these instruments approximates fair value as a result of the short duration of such instruments or due to the variability of the interest cost associated with such instruments.

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

To manage our risk for transactions denominated in Mexican Pesos, we have entered into forward exchange contracts that are designated as cash flow hedge instruments, which are recorded in the Consolidated Balance Sheets at fair value. The gains and losses as a result of the changes in fair value of the hedge contract is deferred in accumulated other comprehensive loss and recognized in cost of revenues in the period the related hedge transactions are recognized.

Interest Rate Swap Agreement. To manage our exposure to variable interest rates, we have entered into an agreement (the "Interest Rate Swap Agreement") with Bank of America, N.A. whereby the Company has agreed to exchange, at a specified interval, the difference between fixed and variable interest amounts calculated by reference to an agreed upon notional principal amount. The Interest Rate Swap Agreement is intended to mitigate the impact of rising interest rates on the Company and covers $80 million of outstanding debt under the senior secured term loan facility. The Company expects this agreement to remain effective during the remaining term of the Interest Rate Swap Agreement and records the impact of the agreement in interest and other expense in the Consolidated Statements of Operations.

The fair values of our derivative instruments and contingent consideration measured on a recurring basis as of December 31 and are categorized as follows:

		2019				2018			
		Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Derivative assets	Foreign exchange contract [1]	$ 464	$ —	$ 464	$ —	$ 496	$ —	$ 496	$ —
	Interest rate swap agreement [2]	$ 150	$ —	$ 150	$ —	$ 1,131	$ —	$ 1,131	$ —
Derivative liabilities	Interest rate swap agreement [3]	$ 995	$ —	$ 995	$ —	$ —	$ —	$ —	$ —
Earnout liability	Contingent consideration [5]	$ 4,700	$ —	$ —	$ 4,700	$ —	$ —	$ —	$ —
Derivative equity	Foreign exchange contract [4]	$ 464	$ —	$ 464	$ —	$ 496	$ —	$ 496	$ —

1 Presented in the Consolidated Balance Sheets in other current assets and based on observable market transactions of spot and forward rates.
2 Presented in the Consolidated Balance Sheets in other assets and based on observable market transactions of forward rates.
3 Presented in the Consolidated Balance Sheets in accrued liabilities and other and based on observable market transactions of forward rates.
4 Presented in the Consolidated Balance Sheets in accumulated other comprehensive income (loss) and based on observable market transactions of forward rates.
5 Presented in the Consolidated Balance Sheets in accrued liabilities and other long term liabilities and based on a Monte Carlo valuation model.

The following table summarizes the notional amount of our open foreign exchange contracts at December 31:

	2019		2018	
	U.S. $ Equivalent	U.S. $ Equivalent Fair Value	U.S. $ Equivalent	U.S. $ Equivalent Fair Value
Commitments to buy or sell currencies	$ 22,474	$ 22,939	$ 22,371	$ 22,867

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

The following table summarizes the effect of derivative instruments on the Consolidated Statements of Operations for derivatives not designated as hedging instruments at December 31:

		2019	2018
	Location of Gain (Loss) Recognized on Derivatives	Amount of Gain (Loss) Recognized on Derivatives	
Foreign exchange contracts	Cost of Revenues	$ 4	$ 607
Interest rate swap agreement	Interest and Other Expense	$ (1,818)	$ 785

Long-term Debt. The fair value of long-term debt obligations is based on a fair value model utilizing observable inputs. Based on these inputs, our long-term debt is classified as Level 2. The carrying amounts and fair values of our long-term debt at December 31 are as follows:

	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Term loan and security agreement [1]	$ 156,384	$ 157,983	$ 163,758	$ 161,759

[1] Presented in the Consolidated Balance Sheets as the current portion of long-term debt (net of current prepaid debt financing costs of $0.5 million and current original issue discount of $0.6 million) of $3.3 million and long-term debt (net of long-term prepaid debt financing costs of $1.2 million and long-term original issue discount of $1.3 million) of $153.1 million.

Long-lived Assets. There are no fair value measurements of our long-lived assets and definite-lived intangible assets measured on a non-recurring basis, except for definite-lived intangibles acquired and contingent consideration as a part of the acquisition of First Source Electronics, LLC discussed in Note 5, as of December 31, 2019 and December 31, 2018. The contingent consideration is classified as Level 3 and valued based on a Monte Carlo valuation model.

5. Business Combinations

On September 17, 2019, the Company entered into and closed on an Asset Purchase Agreement (the “Agreement”) with First Source Electronics, LLC (“FSE”), Kevin Popielarczyk and Richard Vuoto (collectively, “Principals”) and the Company’s wholly-owned subsidiary, CVG FSE, LLC (“CVG FSE”). The Agreement provided for the acquisition (the "FSE Acquisition") by CVG FSE of substantially all of the assets and certain liabilities of FSE in exchange for a cash purchase price of $34.0 million, subject to a net working capital adjustment, plus a right to earn up to $10.8 million in contingent milestone payments. The purchase was funded through domestic cash on hand and $2.0 million of borrowings under our revolving credit facility. FSE is in the business of manufacturing, distributing, marketing and selling cable and electro-mechanical assemblies, control panels and other business and consumer electronics products and services. FSE improves our ability to participate in the progression of digitalization, connectivity and associated power and data applications. Furthermore, this strategic acquisition complements our high-complexity, low-to-medium volume electrical business, and provides an entry into the warehouse automation market, while also providing us with the opportunity to leverage our global footprint and to increase cross selling opportunities.

The milestone payments are payable based on achieving certain earnings before interest, taxes, depreciation and amortization ("EBITDA") thresholds over the periods from (a) September 18, 2019 through September 17, 2020, (b) September 18, 2019 through March 17, 2021, (c) September 18, 2019 through September 17, 2022 and (d) March 18, 2021 through September 17, 2022. The payment amount will be determined on a sliding scale for reaching between 90% and 100% of the respective EBITDA targets. The fair value for the milestone payments is based on a Monte Carlo simulation utilizing forecasted EBITDA through September 17, 2022. The estimate was recorded within other long-term liabilities in the Consolidated Balance Sheet as of September 30, 2019. The total undiscounted milestone payments is estimated at $5.6 million and the fair value is $4.7 million as of September 30, 2019.

The Agreement contains customary indemnification provisions and provided for the establishment of an escrow fund of $3.0 million of the purchase price to secure indemnification claims by CVG FSE for an 18-month period. The Company is a party to the Agreement solely as a guarantor of CVG FSE’s payment obligations.

The operating results of FSE, since the date of acquisition, have been included in our consolidated financial statements. From the date of the FSE Acquisition through December 31, 2019, FSE operations recorded revenues of approximately $12.8 million resulting in net income of $0.2 million for the period within the Electrical Systems Segment. Acquisition related expenses for FSE of approximately $0.9 million were incurred for the year ended December 31, 2019 and have been recorded as selling, general and administrative expenses in our consolidated statements of operations.

The FSE Acquisition was accounted for under the acquisition method of accounting. Under acquisition accounting, the acquired tangible and intangible assets and liabilities of FSE have been recorded at their respective fair values. The Company has completed its preliminary assessment of fair values of assets acquired and liabilities assumed, and the preliminary amounts are reflected in the table below. The purchase price associated with the FSE Acquisition exceeded the preliminary fair value of the net assets acquired by approximately $20.4 million. This reflects an increase of $2.7 million from the initial valuation as of September 30, 2019. As of December 31, 2019, the net working capital adjustment is still preliminary. The excess purchase price over net assets acquired is recorded as goodwill and was determined as follows:

Initial cash paid, net of working capital adjustment	$	34,000
Contingent consideration at fair value		4,700
Total consideration	$	38,700
Net assets at fair value		18,335
Excess of total consideration over net assets acquired	$	20,365

In the fourth quarter of 2019, management decreased the value of definite-lived intangible assets with an offset to goodwill to reflect a refinement of valuation assumptions. The allocation of the fair value of the assets acquired and liabilities assumed is as follows:

Accounts receivable	$	6,567
Inventories		3,140
Prepaid and other current assets		353
Property, plant and equipment		503
Other long-term assets		1,650
Definite-lived intangible assets		14,500
Goodwill		20,365
Accounts payable and accrued liabilities		(7,204)
Other long-term liabilities		(1,174)
Total consideration	$	38,700

The following unaudited pro forma information for the twelve months ended December 31, 2019 and 2018 presents the result of operations as if the FSE Acquisition had taken place at the beginning of the annual reporting period. The pro forma results reflect estimates and assumptions and are not necessarily indicative of the financial position or result of operations had the acquisition taken place at the beginning of the period. The Company adjusted historical results for assumed intangible amortization expense consistent with future years and assumed an effective tax rate of 25%. In addition, the pro forma results are not necessarily indicative of the future financial or operating results.

	Twelve months ended December 31,			
(unaudited)	**2019**		**2018 (as restated)**	
Revenue	$	936,766	$	935,596
Net income	$	18,324	$	44,139
Earnings per share attributable to common stockholders:				
Basic	$	0.60	$	1.46
Diluted	$	0.59	$	1.44

6. Leases

The Company leases office, warehouse and manufacturing space and certain equipment under non-cancelable operating lease agreements that generally require us to pay maintenance, insurance, taxes and other expenses in addition to annual rental fees. Our leases have remaining lease terms of one year to nine years, some of which include options to extend the leases for up to five years, and some of which include options to terminate the leases within one year.

The components of lease expense are as follows:

	Twelve Months Ended December 31, 2019	
Operating lease cost	$	7,279
Finance lease cost:		
Amortization of right-of-use assets		341
Interest on lease liabilities		60
Total finance lease cost	$	401
Short-term lease cost [1]		7,357
Total lease expense	$	15,037

[1] Includes variable lease costs, which are not significant.

Supplemental cash flow information related to leases is as follows:

	Twelve Months Ended December 31, 2019	
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	7,898
Financing cash flows from finance leases	$	443

The Company elected to apply the modified retrospective approach. As such, we did not restate the prior year Consolidated Balance Sheet. Supplemental balance sheet information related to leases is as follows:

	Balance Sheet Location	December 31, 2019	
Operating Leases			
Right-of-use assets, net	Operating lease right-of-use assets, net [1]	$	34,960
Current liabilities	Current operating lease liabilities	$	7,620
Non-current liabilities	Operating lease liabilities		29,414
Total operating lease liabilities		$	37,034
Finance Leases			
Right-of-use assets		$	1,135
Accumulated depreciation			(343)
Right-of-use assets, net	Other assets, net	$	792
Current liabilities	Accrued liabilities and other	$	354
Non-current liabilities	Other long-term liabilities		398
Total finance lease liabilities		$	752
Weighted Average Remaining Lease Term			
Operating leases			5.0 years
Finance leases			2.8 years
Weighted Average Discount Rate			
Operating leases			9.1%
Finance leases			7.2%

[1] Includes $21.2 million for operating leases existing on January 1, 2019 and $18.6 million for operating leases that commenced or were renewed in the twelve months ended December 31, 2019, net of amortization of $4.8 million.

As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments. We utilize an incremental borrowing rate,

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which is reflective of the specific term of the leases and economic environment of each geographic region, and apply a portfolio approach for certain machinery and equipment that have consistent terms in a specific geographic region.

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

Year Ending December 31,	Operating		Financing		Total	
2020	$	10,300	$	401	$	10,701
2021		9,902		249		10,151
2022		9,211		124		9,335
2023		5,214		54		5,268
2024		4,132		13		4,145
Thereafter		6,834		1		6,835
Total lease payments	$	45,593	$	842	$	46,435
Less: Imputed interest		(8,559)		(90)		(8,649)
Present value of lease liabilities	$	37,034	$	752	$	37,786

The following are the future minimum annual rental commitments under Topic 840 as disclosed in our December 31, 2018 Form 10-K:

Year Ending December 31,		
2019	$	7,558
2020	$	6,492
2021	$	5,960
2022	$	5,286
2023	$	1,676
Thereafter	$	2,501

7. Inventories

Inventories consisted of the following as of December 31:

	2019		2018	
Raw materials	$	57,742	$	66,965
Work in process		12,612		12,333
Finished goods		12,518		13,061
	$	82,872	$	92,359

8. Accrued and Other Liabilities

Accrued and other liabilities consisted of the following as of December 31:

	2019	2018
Compensation and benefits	$ 9,681	$ 12,893
Insurance	3,110	2,485
Warranty costs	3,082	3,911
Taxes payable	2,513	5,272
Accrued freight	2,408	1,559
Restructuring	2,324	—
Legal and professional fees	2,115	1,710
Accrued services	912	1,106
Deferred tooling revenue	524	1,466
Other	6,004	6,567
	$ 32,673	$ 36,969

9. Debt

Debt consisted of the following at December 31:

	2019	2018
Term loan and security agreement [1, 2]	$ 156,384	$ 163,758

[1] Presented in the Consolidated Balance Sheets as current portion of long-term debt of $3.3 million, net of current prepaid debt financing costs of $0.5 million and current original issue discount of $0.6 million; and long-term debt of $153.1 million, net of long-term prepaid debt financing costs of $1.2 million and long-term original issue discount of $1.3 million as of December 31, 2019.

[2] Presented in the Consolidated Balance Sheets as current portion of long-term debt of $9.1 million, net of current prepaid debt financing costs of $0.6 million, and current original issue discount of $0.6 million; and long-term debt of $154.7 million, net of long-term prepaid debt financing costs of $1.7 million and long-term original issue discount of $1.8 million as of December 31, 2018.

Term Loan and Security Agreement

On April 12, 2017, the Company entered into a $175.0 million senior secured term loan credit facility (the “Term Loan Facility”), maturing on April 12, 2023, pursuant to a term loan and security agreement (the “TLS Agreement”) with the Company and certain subsidiaries of the Company party thereto as guarantors, Bank of America, N.A., as administrative agent, and other lender parties thereto. Concurrent with the closing of the TLS Agreement, the proceeds of the Term Loan Facility were used, together with cash on hand in the amount of $74.0 million, to (a) fund the redemption, satisfaction and discharge of all of the Company’s outstanding 7.875% notes along with accrued interest; and (b) pay related transaction costs, fees and expenses. In conjunction with the redemption of the 7.875% notes, the Company recognized a non-cash charge of $1.6 million in the second quarter of 2017 to write-off deferred financing fees and a charge for interest of $1.5 million paid to bondholders during the 30-day notification period associated with the redemption of the 7.875% notes.

The interest on the Term Loan Facility is variable and is comprised of 1) an applicable margin of either (i) 5.00% for base rate loans or (ii) 6.00% for LIBOR loans, and 2) an applicable rate of either (i) base rate for any day, a per annum rate equal to the greater of (a) the prime rate for such day, (b) the federal funds rate for such day, plus 0.50%, or (c) LIBOR for a 30 day interest period as of such day, plus 1.00%, or (ii) LIBOR as quoted two business days prior to the commencement of an interest period provided that LIBOR at no time falls below 1.00%. There was $0.1 million in accrued interest as of December 31, 2019. The unamortized deferred financing fees of $1.7 million and original issue discount of $1.8 million are netted against the aggregate book value of the outstanding debt to arrive at a balance of $156.4 million as of December 31, 2019 and are being amortized over the remaining life of the agreement. The weighted average interest rate was 8.29% as of December 31, 2019 and 8.09% as of December 31, 2018.

The Term Loan Facility is a senior secured obligation of the Company. Our obligations under the TLS Agreement are guaranteed by the Company and certain subsidiaries of the Company. The obligations of the Company and the guarantors under the TLS Agreement are secured (subject to certain permitted liens) by a first-priority lien on substantially all of the non-current assets (and

a second priority lien on substantially all of the current assets) of the Company and the guarantors, including a first priority pledge of certain capital stock of the domestic and foreign subsidiaries directly owned by the Company and the guarantors. The liens, the security interests and all of the obligations of the Company and the guarantors and all provisions regarding remedies in an event of default are subject to an intercreditor agreement among the Company, the guarantors, the agent for the lenders party to the Company's revolving credit facility and the collateral agent under the TLS Agreement.

Terms, Covenants and Compliance Status

The TLS Agreement contains customary restrictive covenants, including limitations on our ability and the ability of our subsidiaries to: incur additional debt; pay dividends or other restricted payments; make investments; engage in transactions with affiliates; create liens on assets; and consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries. In addition, the TLS Agreement contains a financial maintenance covenant requiring the Company to maintain a total leverage ratio as of the last day of any fiscal quarter not to exceed the ratios set forth in the applicable table within the TLS Agreement. The TLS Agreement also contains customary reporting and other affirmative covenants. We were in compliance with the covenants as of December 31, 2019.

The TLS Agreement requires the Company to repay principal of approximately $1.1 million on the last day of each quarter commencing with the quarter ending September 30, 2017 with the remaining outstanding principal due at maturity on April 12, 2023.

Voluntary prepayments of amounts outstanding under the TLS Agreement are permitted at any time, without premium or penalty. In addition, to the extent applicable, customary LIBOR breakage charges may be payable in connection with any prepayment.

The TLS Agreement requires the Company to make mandatory prepayments with excess cash flow, the proceeds of certain asset dispositions and upon the receipt of insurance or condemnation proceeds; and in the case of an asset disposition or insurance or condemnation event, to the extent the Company does not reinvest the proceeds within the periods set forth in the TLS Agreement. A mandatory prepayment of $4.2 million pursuant to the TLS Agreement was made during the first quarter of 2019 as a result of our 2018 Excess Cash Flow Period.

The TLS Agreement includes customary events of default (subject in certain cases to customary grace and cure periods) which include, among others:

- nonpayment of obligations when due;
- breach of covenants or other agreements in the TLS Agreement; and
- defaults in payment of certain other indebtedness.

Revolving Credit Facility

On April 12, 2017, Commercial Vehicle Group Inc. and certain subsidiaries, collectively the "borrowers", entered into the Third Amended and Restated Loan and Security Agreement (the "Third ARLS Agreement") increasing its senior secured revolving credit facility (the "Revolving Credit Facility") to $65 million from $40 million and setting the maturity date to April 12, 2022. Up to an aggregate of $10.0 million is available to the borrowers for the issuance of letters of credit, which reduces availability under the Third ARLS Agreement.

The Third ARLS Agreement included amendments to certain definitions and covenants including, but not limited to, amendments to (i) permitted debt, (ii) permitted distributions, (iii) distribution of assets, and (iv) the calculation of EBITDA. The Third ARLS Agreement contains a fixed charge coverage ratio maintenance covenant of 1.00:1.00 and amended the availability threshold for triggering compliance with the fixed charge coverage ratio.

The borrowers' obligations under the Revolving Credit Facility are secured (subject to certain permitted liens) by a first-priority lien on substantially all of the current assets (and a second priority lien on substantially all of the non-current assets) of the borrowers. Each of the Company and each other borrower is jointly and severally liable for the obligations under the Revolving Credit Facility and unconditionally guarantees the prompt payment and performance thereof. The liens, the security interests and all of the obligations of the Company and each other borrower and all provisions regarding remedies in an event of default are subject to an intercreditor agreement among the Company, certain of its subsidiaries, the agent under the Third ARLS Agreement and the collateral agent for the lenders party to the Company's Term Loan credit Facility.

On September 18, 2019, the Company and certain of its subsidiaries, as co-borrowers, entered into an Amendment No. 1 (the "Amendment"), which amends the Third ARLS Agreement. The Amendment amends the terms of the Revolving Credit Facility

to entitle the Company and the other named borrowers thereunder (subject to the terms and conditions described therein) to request loans and other financial accommodations in an amount equal to the lesser of $90.0 million and a borrowing base composed of accounts receivable and inventory (such facility, the "Tranche A Facility"). Of the $90.0 million, $7.0 million shall be available as a first-in, last-out facility ("Tranche B Facility") at a 100 basis points premium, as detailed in the below applicable margin table. The Company can increase the size of the revolving commitments under the Revolving Credit Facility by an incremental $20.0 million, subject to the consent of the lenders providing the incremental commitments.

The applicable margin is based on average daily availability under the revolving credit facility as follows:

Level	Average Daily Availability	Tranche A Base Rate Loans	Tranche A LIBOR Revolver Loans	Tranche B Base Rate Loans	Tranche B LIBOR Revolver Loans
III	≥ $30,000,000	0.50%	1.50%	1.50%	2.50%
II	> $15,000,000 but < $30,000,000	0.75%	1.75%	1.75%	2.75%
I	≤ $15,000,000	1.00%	2.00%	2.00%	3.00%

The applicable margin is subject to increase or decrease by the agent on the first day of the calendar month following each fiscal quarter end. If the agent is unable to calculate average daily availability for a fiscal quarter due to the borrowers' failure to deliver a borrowing base certificate when required, the applicable margin will be set at Level I until the first day of the calendar month following receipt of a borrowing base certificate. As of December 31, 2019, the applicable margin was set at Level III.

The unamortized deferred financing fees associated with our revolving credit facility of $0.6 million and $0.7 million as of December 31, 2019 and December 31, 2018, respectively, are being amortized over the remaining life of the agreement. As of December 31, 2019 and December 31, 2018, we did not have borrowings under the revolving credit facility and had outstanding letters of credit of $1.6 million and $1.7 million, respectively. We had borrowing availability of $55.1 million at December 31, 2019.

The Company pays a commitment fee to the lenders equal to 0.25% per annum of the unused amounts under the revolving credit facility.

Terms, Covenants and Compliance Status

The Third ARLS Agreement requires the maintenance of a minimum fixed charge coverage ratio. The borrowers are not required to comply with the fixed charge coverage ratio requirement for so long as the borrowers maintain borrowing availability under the revolving credit facility at the greater of (i) $5,000,000 or (ii) ten percent (10%) of the revolving commitments. If borrowing availability falls below this threshold at any time, the borrowers would be required to comply with the fixed charge coverage ratio of 1.00:1.00 as of the end of each relevant fiscal quarter and would be required to continue to comply with these requirements until the borrowers have borrowing availability in excess of this threshold for 60 consecutive days. Since the Company had borrowing availability in excess of this threshold from December 31, 2018 through December 31, 2019, the Company was not required to comply with the minimum fixed charge coverage ratio covenant during the year ended December 31, 2019.

The Third ARLS Agreement contains customary restrictive covenants, including limitations on our ability and the ability of our subsidiaries to: incur additional debt; pay dividends or other restricted payments; make investments; engage in transactions with affiliates; create liens on assets; and consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries. The Third ARLS Agreement also contains customary reporting and other affirmative covenants. The Company was in compliance with these covenants as of December 31, 2019.

Voluntary prepayments of amounts outstanding under the Revolving Credit Facility are permitted at any time, without premium or penalty, other than (to the extent applicable) customary LIBOR breakage charges.

The Third ARLS Agreement requires the borrowers to make mandatory prepayments upon the receipt of insurance or condemnation proceeds in respect of the revolving credit facility's priority collateral.

The Third ARLS Agreement includes customary events of default (subject in certain cases to customary grace and cure periods) which include, among others:

- nonpayment of obligations when due;
- breach of covenants or other agreements in the Third ARLS Agreement;
- a change of control; and
- defaults in payment of certain other indebtedness, including the term loan credit facility.

10. Goodwill and Intangible Assets

Our intangible assets as of December 31 were comprised of the following:

	December 31, 2019			
	Weighted-Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:				
Trademarks/Tradenames	23 years	$ 11,553	$ (4,276)	$ 7,277
Customer relationships	15 years	15,025	(6,574)	8,451
Technical know-how	5 years	9,790	(571)	9,219
Covenant not to compete	5 years	330	(19)	311
		$ 36,698	$ (11,440)	$ 25,258

	December 31, 2018			
	Weighted-Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Definite-lived intangible assets:				
Trademarks/Tradenames	23 years	$ 8,346	$ (3,888)	$ 4,458
Customer relationships	15 years	14,022	(5,680)	8,342
		$ 22,368	$ (9,568)	$ 12,800

The aggregate intangible asset amortization expense was $2.0 million for the fiscal year ended December 31, 2019 and $1.3 million for each of the fiscal years ended December 31, 2018 and 2017. The estimated intangible asset amortization expense for each of the five succeeding fiscal years ending after December 31, 2019 is $3.5 million for years 2020 through 2023 and $2.9 million for the year through December 31, 2024.

The changes in the carrying amounts of goodwill for the years ended December 31 are as follows:

	2019	2018
Balance - Beginning of the year	$ 7,576	$ 8,045
FSE Acquisition	20,365	—
Currency translation adjustment	(125)	(469)
Balance - End of the year	$ 27,816	$ 7,576

11. Income Taxes

Pre-tax income (loss) consisted of the following for the years ended December 31:

	2019	2018 (as restated)	2017
Domestic [1]	$ 4,777	$ 23,092	$ (2,940)
Foreign	16,779	26,484	15,738
Total	$ 21,556	$ 49,576	$ 12,798

[(1)] The Company has adjusted certain prior period amounts for the restatement and immaterial corrections of error. See Note 2 for details.

A reconciliation of income taxes computed at the statutory rates to the reported income tax provision for the years ended December 31 follows:

	2019	2018 (as restated)	2017
Federal provision at statutory rate [1]	$ 4,527	$ 10,411	$ 4,480
U.S./Foreign tax rate differential	393	731	(919)
Foreign non-deductible expenses	2,059	(1,759)	(2,006)
Foreign tax provision	793	1,253	615
State taxes, net of federal benefit [1]	308	619	49
State tax rate change, net of federal benefit	(41)	(32)	(264)
Change in uncertain tax positions	15	84	119
Change in valuation allowance	(2,054)	597	2,475
Tax credits	(2,652)	(2,049)	(152)
Share-based compensation	(14)	(50)	(657)
Change in U.S. corporate tax rate	—	—	7,277
Repatriation of foreign earnings	1,235	(3,670)	3,964
GILTI, net of related foreign tax credit	730	1,194	—
Other	479	758	86
Provision for income taxes	$ 5,778	$ 8,087	$ 15,067

(1) The Company has adjusted certain prior period amounts for the restatement and immaterial corrections of error. See Note 2 for details.

The provision (benefit) for income taxes for the years ended December 31 follows:

	2019			2018 (as restated)			2017		
	Current	Deferred	Total	Current	Deferred	Total	Current	Deferred	Total
Federal [1]	$ (205)	$ (336)	$ (541)	$ (3,432)	$ 4,426	$ 994	$ 2,954	$ 7,446	$ 10,400
State and local [1]	214	883	1,097	123	87	210	362	(384)	(22)
Foreign	4,207	1,015	5,222	6,365	518	6,883	4,042	647	4,689
Total	$ 4,216	$ 1,562	$ 5,778	$ 3,056	$ 5,031	$ 8,087	$ 7,358	$ 7,709	$ 15,067

(1) The Company has adjusted certain prior period amounts for the restatement and immaterial corrections of error. See Note 2 for details.

A summary of deferred income tax assets and liabilities as of December 31 follows:

	2019	2018 (as restated)
Noncurrent deferred tax assets: [1]		
Amortization and fixed assets	$ 1,457	$ 1,992
Accounts receivable	129	166
Inventories	2,032	2,226
Pension obligations	2,134	2,375
Warranty obligations	741	827
Accrued benefits	369	382
Foreign exchange contracts	91	(367)
Restricted stock	126	106
Operating leases	165	—
Tax credit carryforwards	3,843	3,537
Net operating loss carryforwards	12,657	16,817
Other temporary differences not currently available for tax purposes	2,902	2,945
Total noncurrent deferred tax assets	$ 26,646	$ 31,006
Valuation allowance	(11,992)	(14,665)
Net noncurrent deferred tax assets	$ 14,654	$ 16,341
Noncurrent deferred tax liabilities:		
Amortization and fixed assets	$ (2,501)	$ (2,960)
Accounts receivable	72	54
Inventories	115	123
Warranty obligations	1	1
Accrued benefits	(111)	67
Operating leases	27	—
Net operating loss carryforwards	1,517	2,272
Other temporary differences not currently available for tax purposes	(678)	(351)
Total noncurrent tax liabilities	(1,558)	(794)
Total net deferred tax asset	$ 13,096	$ 15,547

(1) The Company has adjusted certain prior period amounts for the restatement and immaterial corrections of error. See Note 2 for details.

We assess whether valuation allowances should be established against deferred tax assets based on consideration of all available evidence using a “more likely than not” standard. This assessment considers, among other matters, the nature, frequency and severity of recent losses, forecasts of future profitability, the duration of statutory carryforward periods, our experience with unused tax attributes expiring and tax planning alternatives. In making such judgments, significant weight is given to evidence that can be objectively verified.

During 2019, we recorded additional valuation allowance of $0.7 million on the deferred tax assets of our United Kingdom subsidiary and certain U.S. state tax net operating loss carryforwards, and released $3.4 million in valuation allowances related to the deferred tax assets of our Luxembourg subsidiaries. We expect to be able to realize the benefits of all of our deferred tax assets that are not currently offset by a valuation allowance, as discussed above. In the event that our actual results differ from our estimates or we adjust these estimates in future periods, the effects of these adjustments could materially impact our financial position and results of operations.

As of December 31, 2019, the Company had net operating loss carryforwards of $115.2 million, of which $55.2 million related to foreign jurisdictions and $60.0 million related to U.S. state jurisdictions. The carryforward periods for these net operating losses range from five years to indefinite. Utilization of these losses is subject to the tax laws of the applicable tax jurisdiction and may be limited by the ability of certain subsidiaries to generate taxable income in the associated tax jurisdiction. We have established valuation allowances for all net operating losses that we believe are more likely than not to expire before they can be utilized.

As of December 31, 2019, we had $2.5 million of U.S. foreign tax credits carried forward primarily attributable to the deemed repatriation of the accumulated untaxed earnings of our foreign subsidiaries resulting from the U.S. Tax Reform. Utilization of these credits may be limited if the Company does not continue to generate U.S. federal taxable income in future years. The credits begin to expire in 2027.

As of December 31, 2019, we had $1.3 million of research and development tax credits being carried forward related to our U.S. operations. Utilization of these credits may be limited if the Company does not continue to generate U.S. federal taxable income in future years. As a result of the Tax Cuts and Jobs Act of 2017, the unutilized research and development tax credits the Company generated after December 31, 2017 can be carried forward indefinitely whereas the credits generated prior to that date are subject to a 20-year carryforward period. Approximately $0.5 million of the Company's tax credits are subject to the 20-year carryforward period and begin to expire between between 2025 and 2039.

As of December 31, 2019, cash of $39.5 million was held by foreign subsidiaries. During the year ended December 31, 2019, $19.4 million, net of $1.0 million in foreign withholding tax incurred, was repatriated from the Company's foreign subsidiaries. The Company plans to repatriate an additional $12.0 million in 2020 and a $0.8 million deferred tax liability was recorded during the year ended December 31, 2019 for the expected future income tax implications.

We file federal income tax returns in the U.S. and income tax returns in various states and foreign jurisdictions. In the U.S., we are generally no longer subject to tax assessment for tax years prior to 2016. In our major non-U.S. jurisdictions including China, Czech Republic, Mexico and the United Kingdom, tax years are typically subject to examination for three to five years.

As of December 31, 2019, and 2018, we provided a liability of $0.9 million for unrecognized tax benefits related to U.S. federal and state, and foreign jurisdictions. The majority of these unrecognized tax benefits are netted against their related noncurrent deferred tax assets.

We accrue interest and penalties related to unrecognized tax benefits through income tax expense. We had $0.4 million and $0.3 million accrued for the payment of interest and penalties as of December 31, 2019 and December 31, 2018, respectively. Accrued interest and penalties are included in the $0.9 million of unrecognized tax benefits.

A reconciliation of the beginning and ending amount of unrecognized tax benefits (including interest and penalties) at December 31 follows:

	2019	2018 (as restated)	2017
Balance - Beginning of the year [1]	$ 894	$ 811	$ 1,098
Gross increase - tax positions in prior periods [1]	70	66	70
Gross decreases - tax positions in prior periods [1]	(39)	(14)	(219)
Gross increases - current period tax positions [1]	—	59	65
Lapse of statute of limitations	(12)	(12)	(221)
Currency translation adjustment	(5)	(16)	18
Balance - End of the year [1]	$ 908	$ 894	$ 811

(1) The Company has adjusted certain prior period amounts for the restatement and immaterial corrections of error. See Note 2 for details.

12. Segment Reporting and Geographic Locations

In the year ended December 31, 2018, we completed a strategic reorganization of our operations into two business segments, Electrical Systems and Global Seating. As a result of the strategic reorganization, we restated prior period segment information to conform to the current period segment presentation.

Operating segments are defined as components of an enterprise that are evaluated regularly by the Company's CODM, which is our President and Chief Executive Officer. Each of these segments consists of a number of manufacturing facilities. Certain of our facilities manufacture and sell products through both of our segments. Each manufacturing facility that sells products through both segments is reflected in the financial results of the segment that has the greatest amount of sales from that manufacturing facility. Our segments are more specifically described below.

The Electrical Systems Segment manufactures and sells the following products:

- Electrical wire harnesses, control panels, electro-mechanical and cable assemblies primarily for the construction, agricultural, industrial, automotive, truck, mining, rail and military industries in North America, Europe and Asia-Pacific;
- Trim systems and components ("Trim") primarily for the North America MD/HD Truck market;
- Mirrors, wipers and controls primarily for the truck, bus, agriculture, construction, rail and military markets in North America and Europe;
- Cab structures for the North American MD/HD Truck market; and
- Aftermarket components in North America.

The Global Seating Segment manufactures and sells the following products:

- Seats and seating systems ("Seats") primarily to the MD/HD Truck, construction, agriculture and mining markets in North America, Asia-Pacific and Europe;
- Office seating in Europe and Asia-Pacific; and
- Aftermarket seats and components in North America, Europe and Asia-Pacific.

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

The following table presents segment revenues, gross profit, selling, general and administrative expenses, amortization expense, operating income, capital expenditures, depreciation expense and other items for the year ended December 31, 2019. The table does not include assets as the CODM does not review assets by segment.

	For the year ended December 31, 2019			
	Electrical Systems	Global Seating	Corporate/ Other	Total
Revenues				
External revenues	$ 522,484	$ 378,754	$ —	$ 901,238
Intersegment revenues	8,417	2,794	(11,211)	—
Total revenues	$ 530,901	$ 381,548	$ (11,211)	$ 901,238
Gross profit	$ 60,008	$ 45,201	$ (72)	$ 105,137
Selling, general & administrative expenses	15,815	20,429	26,305	62,549
Amortization expense	1,415	537	—	1,952
Operating income	$ 42,778	$ 24,235	$ (26,377)	$ 40,636
Capital Expenditures, Depreciation Expense and Other:				
Capital expenditures	$ 17,728	$ 3,721	$ 2,668	$ 24,117
Depreciation expense	$ 6,699	$ 4,379	$ 2,484	$ 13,562
Other items [1]	$ 2,159	$ 489	$ 1,210	$ 3,858

[1] Other items include costs associated with restructuring activities, including employee severance and retention costs, lease cancellation costs, building repairs, costs to transfer equipment, and costs of $0.9 million associated with the acquisition of the assets of FSE.

The following table presents segment revenues, gross profit, selling, general and administrative expenses, amortization expense, operating income, capital expenditures and depreciation expense for the year ended December 31, 2018. The table does not include assets as the CODM does not review assets by segment.

	For the year ended December 31, 2018 (as restated)			
	Electrical Systems [1]	Global Seating	Corporate/ Other [1]	Total
Revenues				
External revenues	$ 503,717	$ 394,020	$ —	$ 897,737
Intersegment revenues	9,037	3,481	(12,518)	—
Total revenues	$ 512,754	$ 397,501	$ (12,518)	$ 897,737
Gross profit	$ 71,104	$ 54,231	$ (415)	$ 124,920
Selling, general & administrative expenses	15,390	22,433	22,856	60,679
Amortization expense	747	553	—	1,300
Operating income	$ 54,967	$ 31,245	$ (23,271)	$ 62,941
Capital Expenditures and Depreciation Expense:				
Capital expenditures	$ 9,825	$ 3,579	$ 2,140	$ 15,544
Depreciation expense	$ 6,919	$ 4,604	$ 2,448	$ 13,971

[1] The Company has adjusted certain prior period amounts for the restatement and immaterial correction of error. See Note 2 for details.

The following table presents segment revenues, gross profit, selling, general and administrative expenses, amortization expense, operating income, capital expenditures, depreciation expense and other items as of and for the year ended December 31, 2017. The table does not include assets as the CODM does not review assets by segment.

	For the year ended December 31, 2017			
	Electrical Systems [1]	Global Seating	Corporate/ Other [1]	Total
Revenues				
External revenues	$ 427,476	$ 327,755	$ —	$ 755,231
Intersegment revenues	6,922	1,761	(8,683)	—
Total revenues	$ 434,398	$ 329,516	$ (8,683)	$ 755,231
Gross profit	$ 51,017	$ 40,722	$ (868)	$ 90,871
Selling, general & administrative expenses	15,757	21,585	22,205	59,547
Amortization expense	746	574	—	1,320
Operating income	$ 34,514	$ 18,563	$ (23,073)	$ 30,004
Capital expenditures, depreciation expense and other:				
Capital expenditures	$ 6,744	$ 4,870	$ 1,953	$ 13,567
Depreciation expense	$ 7,381	$ 3,910	$ 2,584	$ 13,875
Other items [2]	$ 1,835	$ 88	$ 2,377	$ 4,300

[1] The Company has adjusted certain prior period amounts for the immaterial corrections of error. See Note 2 for details.

[2] Other items include costs associated with restructuring activities, including employee severance and retention costs, lease cancellation costs, building repairs, costs to transfer equipment, and litigation settlement costs associated with a consulting contract.

The following table presents revenues and long-lived assets for the geographic areas in which we operate:

	Years Ended December 31,					
	2019		2018		2017	
	Revenues	Long-lived Assets [2]	Revenues	Long-lived Assets [1]	Revenues	Long-lived Assets
United States	$ 691,224	$ 70,870	$ 670,075	$ 49,874	$ 560,412	$ 49,060
United Kingdom	48,070	12,233	51,451	3,204	44,013	3,849
All other countries	161,944	26,335	176,211	11,023	150,806	10,574
	$ 901,238	$ 109,438	$ 897,737	$ 64,101	$ 755,231	$ 63,483

[1] The Company has adjusted certain prior period amounts for the immaterial corrections of error. See Note 2 for details.

[2] Long-lived assets for 2019 include right-of-use assets attributable to the implementation of ASC 842 discussed in Note 6 totaling $15.1 million for the United States, $9.3 million for the United Kingdom and $11.3 million for all other countries.

Revenues are attributed to geographic locations based on the geography from which the legal entity operates. The following is the composition, by product category, of our revenues:

	Years Ended December 31,					
	2019		2018		2017	
	Revenues	%	Revenues	%	Revenues	%
Seats	$ 356,877	40%	$ 369,337	41%	$ 314,717	42%
Electrical wire harnesses, panels and assemblies	198,420	22	196,411	22	189,154	25
Trim	202,898	22	195,427	22	150,228	20
Cab structures and sleeper boxes	87,864	10	76,380	8	56,417	7
Mirrors, wipers and controls	55,179	6	60,182	7	44,715	6
	$ 901,238	100	$ 897,737	100	$ 755,231	100

Sales to A.B. Volvo, Daimler and PACCAR, which are included in both reporting segments, have been in excess of 10 percent of total Company revenues in each of the years ended December 31, 2019, 2018 and 2017. No other customers exceed 10% of the Company's revenues in any period presented. The following table presents revenue from the above mentioned customers as a percentage of total revenue for the years ended December 31:

	2019	2018	2017
A.B. Volvo	22%	19%	17%
Daimler	17%	16%	16%
PACCAR	11%	11%	10%

13. Commitments and Contingencies

Leases - As disclosed in Note 6, we lease office, warehouse and manufacturing space and equipment under non-cancelable operating lease agreements that generally require us to pay maintenance, insurance, taxes and other expenses in addition to annual rental fees. As of December 31, 2019, our equipment leases did not provide for any material guarantee of a specified portion of residual values.

Guarantees - Costs associated with guarantees are accrued when it is probable that a liability has been incurred and the amount can be reasonably estimated. The most likely cost to be incurred is accrued based on an evaluation of available facts; where no amount within a range of estimates is more likely, the minimum is accrued. As of December 31, 2019 and 2018, we had no such guarantees.

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

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

Warranty - We are subject to warranty claims for products that fail to perform as expected due to design or manufacturing deficiencies. Depending on the terms under which we supply products to our customers, a customer may hold us responsible for some or all of the repair or replacement costs of defective products when the product supplied did not perform as represented. Our policy is to record provisions for estimated future customer warranty costs based on historical trends and for specific claims. These amounts, as they relate to the years ended December 31, 2019 and 2018, are included within accrued liabilities and other in the accompanying Consolidated Balance Sheets. The following presents a summary of the warranty provision for the years ended December 31:

	2019	2018
Balance - Beginning of the year	$ 3,911	$ 3,490
Provision for new warranty claims	1,895	2,435
Change in provision for preexisting warranty claims	(27)	932
Deduction for payments made	(2,705)	(2,803)
Currency translation adjustment	8	(143)
Balance - End of year	$ 3,082	$ 3,911

Debt Payments - As disclosed in Note 9, the TLS Agreement requires the Company to repay a fixed amount of principal on a quarterly basis, make mandatory prepayments of excess cash flows and make voluntary prepayments that coincide with certain events.

The following table provides future minimum principal payments and mandatory prepayment of excess cash flows due on long-term debt for the next five years. The existing long-term debt agreement matures in 2023; no payments are due thereafter:

Year Ending December 31,	
2020	$ 4,375
2021	4,375
2022	4,375
2023	146,788
2024	—
Thereafter	—

14. Stockholders’ Equity

Common Stock - Our authorized capital stock includes common stock of 60,000,000 shares with a par value of $0.01 per share, with 30,801,255 and 30,512,843 shares outstanding as of December 31, 2019 and 2018, respectively.

Preferred Stock - Our authorized capital stock includes preferred stock of 5,000,000 shares with a par value of $0.01 per share, with no shares outstanding as of December 31, 2019 and 2018.

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

Diluted earnings (loss) per share for years ended December 31, 2019, 2018 and 2017 includes the effects of potential common shares when dilutive. Net income has been restated in 2018 and corrected for immaterial errors in 2017, along with its impact to Basic and Dilutive EPS as discussed in Note 2, and is as follows:

	2019	2018 (as restated)	2017
Net income (loss) attributable to common stockholders	$ 15,778	$ 41,489	$ (2,269)
Weighted average number of common shares outstanding	30,602	30,277	29,942
Dilutive effect of restricted stock grants after application of the treasury stock method	221	310	—
Dilutive shares outstanding	30,823	30,587	29,942
Basic earnings (loss) per share attributable to common stockholders	$ 0.52	$ 1.37	$ (0.08)
Diluted earnings (loss) per share attributable to common stockholders	$ 0.51	$ 1.36	$ (0.08)

The Company has adjusted certain prior period amounts for the restatement and immaterial corrections of error. See Note 2 for details.

There were no anti-dilutive shares for the year ended December 31, 2019. For the year ended December 31, 2018, diluted earnings (loss) per share excludes 55 thousand shares, of nonvested restricted stock as the effect would have been anti-dilutive.

Dividends — We have not declared or paid any cash dividends in the past. The terms of the Third ARLS Agreement and the Term Loan Facility restrict the payment or distribution of our cash or other assets, including cash dividend payments.

The changes in stockholder's equity are as follows:

Twelve Months Ended December 31, 2019

	Common Stock		Treasury Stock	Additional Paid In Capital	Retained Deficit [1]	Accumulated Other Comp. Loss	Total Stockholders' Equity
	Shares	Amount					
				(Unaudited)			
December 31, 2018 (as restated)	30,513	$ 318	$ (10,245)	$ 243,007	$ (76,013)	$ (47,471)	$ 109,596
Share-based compensation expense	—	—	—	761	—	—	761
Cumulative effect of adoption of Topic 842	—	—	—	—	(72)	—	(72)
Total comprehensive income (as restated)	—	—	—	—	9,986	(206)	9,780
March 31, 2019 (as restated)	30,513	$ 318	$ (10,245)	$ 243,768	$ (66,099)	$ (47,677)	$ 120,065
Share-based compensation expense	68	1	—	718	—	—	719
Total comprehensive income (as restated)	—	—	—	—	6,146	1,955	8,101
June 30, 2019 (as restated)	30,581	$ 319	$ (10,245)	$ 244,486	$ (59,953)	$ (45,722)	$ 128,885
Share-based compensation expense	—	—	—	721	—	—	721
Total comprehensive income (as restated)	—	—	—	—	7,180	(5,998)	1,182
September 30, 2019 (as restated)	30,581	$ 319	$ (10,245)	$ 245,207	$ (52,773)	$ (51,720)	$ 130,788
Issuance of restricted stock	351	4	—	—	—	—	4
Surrender of common stock by employees	(131)	—	(985)	—	—	—	(985)
Share-based compensation expense	—	—	—	645	—	—	645
Total comprehensive income	—	—	—		(7,534)	5,770	(1,764)
December 31, 2019	30,801	$ 323	$ (11,230)	$ 245,852	$ (60,307)	$ (45,950)	$ 128,688

(1) The Company has adjusted certain prior period amounts for the restatement and immaterial corrections of error. See Notes 2 and 19 for details.

	Twelve Months Ended December 31, 2018						
	Common Stock						
	Shares	Amount	Treasury Stock	Additional Paid In Capital	Retained Deficit [1]	Accumulated Other Comp. Loss	Total Stockholders' Equity
	(Unaudited)						
December 31, 2017	30,219	$ 304	$ (9,114)	$ 239,870	$ (117,502)	$ (41,235)	$ 72,323
Share-based compensation expense	—	—	—	673	—	—	673
Total comprehensive income (as restated)	—	—	—	—	9,444	1,132	10,576
March 31, 2018 (as restated)	30,219	$ 304	$ (9,114)	$ 240,543	$ (108,058)	$ (40,103)	$ 83,572
Share-based compensation expense	—	—	—	844	—	—	844
Total comprehensive income (as restated)	—	—	—	—	12,671	(5,898)	6,773
June 30, 2018 (as restated)	30,219	$ 304	$ (9,114)	$ 241,387	$ (95,387)	$ (46,001)	$ 91,189
Share-based compensation expense	—	—	—	780	—	—	780
Total comprehensive income (as restated)	—	—	—	—	11,277	(2,589)	8,688
September 30, 2018 (as restated)	30,219	$ 304	$ (9,114)	$ 242,167	$ (84,110)	$ (48,590)	$ 100,657
Issuance of restricted stock	452	14		—	—	—	14
Surrender of common stock by employees	(158)		(1,131)	—	—	—	(1,131)
Share-based compensation expense	—	—	—	840	—	—	840
Total comprehensive income (as restated)	—	—	—	—	8,097	1,119	9,216
December 31, 2018 (as restated)	30,513	$ 318	$ (10,245)	$ 243,007	$ (76,013)	$ (47,471)	$ 109,596

(1) The Company has adjusted certain prior period amounts for the restatement and immaterial corrections of error. See Notes 2 and 19 for details.

15. Performance Awards

Awards, defined as cash, shares or other awards, may be granted to employees under the Commercial Vehicle Group, Inc. 2014 Equity Incentive Plan (the "2014 EIP"). The cash award is earned and payable based upon the Company's relative total shareholder return in terms of ranking as compared to the peer group over a three-year period (the "Performance Period"). Total shareholder return is determined by the percentage change in value (positive or negative) over the applicable measurement period as measured by dividing (A) the sum of the cumulative value of dividends and other distributions paid on the Common Stock for the applicable measurement period and the difference (positive or negative) between each such company's starting stock price and ending stock price, by (B) the starting stock price. The award is payable at the end of the Performance Period in cash if the employee is employed through the end of the Performance Period. If the employee is not employed during the entire Performance Period, the award is forfeited. These grants are accounted for as cash settlement awards for which the fair value of the award fluctuates based on the change in total shareholder return in relation to the peer group.

The following table summarizes performance awards granted in the form of cash awards under the 2014 EIP in November 2018, 2017 and 2016:

Grant Date	Grant Amount	Adjustments	Forfeitures	Payments	Adjusted Award Value at December 31, 2019	Vesting Schedule	Remaining Periods (in Months) to Vesting
November 2016	$ 1,434	—	$ (88)	$ (1,346)	$ —	November 2019	0
November 2017	1,584	(16)	(195)	$ —	1,373	November 2020	9
November 2018	1,590	(37)	(200)	—	1,353	November 2021	21
	$ 4,608	$ (53)	$ (483)	$ (1,346)	$ 2,726		

The Company generally grants performance awards in November of each year. However, there were no performance awards granted in November 2019. The next cash award under the 2014 EIP will be granted in the three months ended March 31, 2020. Unrecognized compensation expense was $1.1 million and $2.6 million as of December 31, 2019 and 2018, respectively.

16. Share-Based Compensation

The compensation expense for our share-based compensation arrangements (see Restricted Stock Awards below) was $2.8 million, $3.1 million and $2.5 million for the years ended December 31, 2019, 2018 and 2017, respectively. Share-based compensation expense is included in selling, general and administrative expenses in the Consolidated Statements of Operations.

Restricted Stock Awards - Restricted stock is a grant of shares of common stock that may not be sold, encumbered or disposed of and that may be forfeited in the event of certain terminations of employment or in the case of the board of directors, a separation for cause, prior to the end of a restricted period set by the compensation committee of the board of directors. Forfeitures are recorded as they occur. A participant granted restricted stock generally has all of the rights of a stockholder, unless the compensation committee determines otherwise.

The following table summarizes information about unvested restricted stock grants as of December 31, 2019 (in thousands):

Grant	Shares Granted	Unvested Shares	Vesting Schedule	Unearned Compensation	Remaining Period to Vesting (in months)
October 2017	303	90	3 equal annual installments commencing on October 20, 2018	$ 711.7	10
October 2018	382	242	3 equal annual installments commencing on October 20, 2019	$ 1,500.7	22
May 2019	71	59	Shares granted to independent board members that fully vest as of May 16, 2020	$ 150.0	4
October 2019	12	12	3 equal annual installments commencing on October 20, 2020	$ 77.5	33

As of December 31, 2019, there was approximately $2.4 million of unrecognized compensation expense related to non-vested share-based compensation arrangements granted under our equity incentive plans. This expense is subject to future adjustments and forfeitures and will be recognized on a straight-line basis over the remaining period listed above for each grant.

A summary of the status of our restricted stock awards as of December 31, 2019 and changes during the twelve-month period ending December 31, 2019, 2018 and 2017 is presented below:

	2019		2018		2017	
	Shares (000's)	Weighted-Average Grant-Date Fair Value	Shares (000's)	Weighted-Average Grant-Date Fair Value	Shares (000's)	Weighted-Average Grant-Date Fair Value
Nonvested - beginning of year	760	$ 7.56	787	$ 6.84	981	$ 4.70
Granted	87	$ 7.57	446	$ 7.20	354	$ 9.77
Vested	(418)	$ 7.41	(452)	$ 5.97	(509)	$ 4.90
Forfeited	(26)	$ 7.52	(21)	$ 7.31	(39)	$ 4.84
Nonvested - end of year	403	$ 7.72	760	$ 7.56	787	$ 6.84

As of December 31, 2019, a total of 2.1 million shares were available for future grants from the shares authorized for award under our 2014 Equity Incentive Plan, including cumulative forfeitures.

Repurchase of Common Stock - We did not repurchase any of our common stock on the open market as part of a stock repurchase program during 2019; however, our employees surrendered 130 thousand shares of our common stock to satisfy tax withholding obligations on the vesting of the restricted stock awards.

17. Defined Contribution Plan, Pension and Other Post-Retirement Benefit Plans

Defined Contribution Plan - We sponsor a defined contribution plan covering eligible employees. Eligible employees can contribute on a pre-tax basis to the plan. In accordance with the terms of the 401(k) plan, we elect to match a certain percentage of the participants' contributions to the plan, as defined. We recognized expense associated with the plan of $4.6 million in 2019, $3.6 million in 2018 and $3.0 million in 2017.

Pension and Other Post-Retirement Benefit Plans - We sponsor pension and other post-retirement benefit plans that cover certain hourly and salaried employees in the U.S. and United Kingdom. Each of the plans are frozen to new participants and to additional service credits earned. In December 2018, we consolidated the U.S. plans. Our policy is to make annual contributions to the plans to fund the minimum contributions, as required by local regulations.

During the three months ended March 31, 2019, the Company offered employees with deferred vested balances in the U.S. defined benefit pension plan the opportunity to voluntarily elect an early payout of their benefits. Payouts totaling $7.9 million were made during 2019 and were paid out of plan assets resulting in a non-cash settlement charge of $2.5 million, which was recorded in interest and other expense in the Condensed Consolidated Statements of Operations and is reflected in amortization of prior service cost in the net periodic (benefit) cost table below.

The change in benefit obligation, plan assets and funded status as of December 31 is as follows:

	U.S. Pension and Other Post-Retirement Benefit Plans		Non-U.S. Pension Plan	
	2019	2018	2019	2018
Change in benefit obligation:				
Benefit obligation — Beginning of the year	$ 45,238	$ 50,072	$ 40,265	$ 45,737
Service cost	—	—	—	788
Interest cost	1,483	1,664	1,112	1,030
Participant contributions	6	9	—	—
Benefits paid	(10,346)	(2,360)	(1,681)	(1,816)
Actuarial (gain) loss	3,196	(4,147)	3,730	(2,772)
Exchange rate changes	—	—	1,415	(2,702)
Benefit obligation at end of the year	39,577	45,238	44,841	40,265
Change in plan assets:				
Fair value of plan assets — Beginning of the year	42,962	45,046	30,424	35,377
Actual return on plan assets	6,588	(2,259)	3,610	(1,808)
Employer contributions	835	2,526	887	763
Participant contributions	6	9	—	—
Benefits paid	(10,346)	(2,360)	(1,681)	(1,816)
Exchange rate changes	—	—	1,081	(2,092)
Fair value of plan assets at end of the year	40,045	42,962	34,321	30,424
Funded status	$ 468	$ (2,276)	$ (10,520)	$ (9,841)

Significant Obligation Loss - The projected U.S. benefit obligation includes a net loss of $3.2 million for the year ended December 31, 2019. The loss is a result of changes in key actuarial assumptions, including the early payout of benefits decrease in the discount rate. The projected Non-U.S. benefit obligation includes a net loss of $3.7 million for the year ended December 31, 2019 driven primarily by a decrease in the discount rate assumption.

As a result of pension legislation in the United Kingdom that was effective October 2018, the Company was required to amend its pension plan to equalize benefits between male and female pensioners. This resulted in additional pension obligation and a reduction to accumulated other comprehensive income of $0.8 million in 2018. There are no material updates to this estimate for as of December 31, 2019.

Amounts recognized in the Consolidated Balance Sheets at December 31 consisted of:

	U.S. Pension and Other Post-Retirement Benefit Plans		Non-U.S. Pension Plan	
	2019	2018	2019	2018
Noncurrent assets	$ 633	$ —	$ —	$ —
Current liabilities	(19)	(28)	—	—
Noncurrent liabilities	(146)	(2,248)	(10,520)	(9,841)
Amount recognized	$ 468	$ (2,276)	$ (10,520)	$ (9,841)

The components of net periodic (benefit) cost for the years ended December 31 were as follows:

	U.S. Pension and Other Post-Retirement Benefit Plans			Non-U.S. Pension Plan		
	2019	2018	2017	2019	2018	2017
Service cost	$ —	$ —	$ 116	$ —	$ —	$ —
Interest cost	1,483	1,664	1,810	1,112	1,030	1,138
Expected return on plan assets	(2,393)	(3,151)	(2,684)	(1,117)	(1,210)	(1,196)
Amortization of prior service cost [1]	2,528	6	6	47	—	—
Recognized actuarial loss	308	263	21	531	496	312
Net periodic cost (benefit)	$ 1,926	$ (1,218)	$ (731)	$ 573	$ 316	$ 254

[1] Includes $2.5 million non-cash settlement charge arising from the early payout of the U.S. defined benefit plan benefits.

Net periodic (benefit) cost components, not inclusive of service costs, are recognized in Other Income within the Consolidated Statements of Operations.

Amounts Recognized in Accumulated Other Comprehensive Income (Loss) - Amounts recognized in accumulated other comprehensive income (loss), before taking into account income tax effects, at December 31 are as follows:

	U.S. Pension and Other Post-Retirement Benefit Plans			Non-U.S. Pension Plan		
	2019	2018	2017	2019	2018	2017
Net actuarial loss	$ 10,937	$ 14,767	$ 13,765	$ 13,783	$ 12,972	$ 13,454
Prior service cost	45	51	57	747	788	—
	$ 10,982	$ 14,818	$ 13,822	$ 14,530	$ 13,760	$ 13,454

Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income (Loss) — Amounts recognized as other changes in plan assets and benefit obligations in other comprehensive income (loss), before taking into account income tax effects, for the year ended December 31 are as follows:

	U.S. Pension and Other Post-Retirement Plans		Non-U.S. Pension Plan	
	2019	2018	2019	2018
Actuarial (gain) loss	$ (1,001)	$ 1,266	$ 968	$ 245
Amortization of actuarial (loss) gain	(2,829)	(263)	(37)	781
Prior service credit	(6)	(6)	(416)	(491)
Total recognized in other comprehensive income (loss)	$ (3,836)	$ 997	$ 515	$ 535

Weighted-average assumptions used to determine benefit obligations at December 31 were as follows:

	U.S. Pension and Other Post-Retirement Benefit Plans		Non-U.S. Pension Plan	
	2019	2018	2019	2018
Discount rate	2.93%	4.06%	1.95%	2.80%

Weighted-average assumptions used to determine net periodic benefit cost at December 31 were as follows:

	U.S. Pension and Other Post-Retirement Plans			Non-U.S. Pension Plan		
	2019	2018	2017	2019	2018	2017
Discount rate	3.40%	3.42%	3.87%	2.80%	2.45%	2.70%
Expected return on plan assets	5.34%	7.00%	7.00%	3.70%	3.70%	3.70%

The rate of return assumptions are based on projected long-term market returns for the various asset classes in which the plans are invested, weighted by the target asset allocations. An incremental amount for active plan asset management and diversification, where appropriate, is included in the rate of return assumption. Our pension plan investment strategy is reviewed periodically, but no less frequently than annually.

We employ a total return investment approach whereby a mix of equities, fixed income and real estate investments are intended to maximize the long-term return of plan assets taking into consideration a prudent level of risk. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long run. Risk tolerance is established through consideration of plan liabilities, plan funded status and corporate financial condition. The investment portfolio contains a diversified blend of equity, balanced, fixed income and real estate investments. Furthermore, equity investments are diversified across U.S. and non-U.S. stocks, as well as growth, value and large and small capitalizations. Other assets, such as real estate, are used judiciously to perhaps enhance long-term returns and to improve portfolio diversification. Derivatives may be used to gain market exposure in an efficient and timely manner; however, derivatives may not be used to leverage the portfolio beyond the market value of the underlying investments. Investment risk is measured and monitored on an ongoing basis in light of annual liability measurements, periodic asset/liability studies and quarterly investment portfolio reviews. We expect to contribute approximately $1.0 million to our pension plans and our other post-retirement benefit plans in 2020.

Our current investment allocation target for our pension plans for 2019 and our weighted-average asset allocations of our pension assets for the years ended December 31, by asset category, are as follows:

	Target Allocation				Actual Allocations as of December 31,			
	2019		2018		U.S. Pension Plan		Non-U.S. Pension Plan	
	U.S.	Non-U.S.	U.S.	Non-U.S.	2019	2018	2019	2018
Cash and cash equivalents	—	—	—	—	—	1	1	1
Equity/Balanced securities	27	55	55	55	28	52	53	59
Fixed income securities	63	45	25	45	62	22	46	40
Real estate	10	—	20	—	10	25	—	—
	100%	100%	100%	100%	100%	100%	100%	100%

Our plan assets can be described as follows:

Equity Securities - Includes common stocks issued by U.S., United Kingdom and other international companies, equity funds that invest in common stocks and unit linked insurance policies. Equity investments generally allow near-term (within 90 days of the measurement date) liquidity and are held in issues that are actively traded to facilitate transactions at minimum cost.

Balanced Securities - Includes funds primarily invested in a mix of equity and fixed income securities where the allocations are at the discretion of the investment manager. Investments generally allow near-term (within 90 days of the measurement date) liquidity and are held in issues that are actively traded to facilitate transactions at minimum cost.

Fixed Income Securities - Includes U.S. dollar-denominated and United Kingdom and other international marketable bonds and convertible debt securities as well as fixed income funds that invest in these instruments. Investments generally allow near-term liquidity and are held in issues that are actively traded to facilitate transactions at minimum cost.

The fair value of fixed income securities is determined by either direct or indirect quoted market prices. When the value of assets held in separate accounts is not published, the value is based on the underlying holdings, which are primarily direct quoted market prices on regulated financial exchanges.

Real Estate - Real estate provides an indirect investment into a diversified and multi-sector portfolio of property assets. The fair value of real estate investments is determined by the fund managers. The fund managers value the real estate investments via independent third-party appraisals on a periodic basis. Assumptions used to revalue the properties are updated every quarter.

The fair values of our pension plan assets by asset category and by level as described in Note 4 for the years ended December 31, 2019 and 2018 are as follows:

	December 31, 2019			
		Quoted Prices in Active Markets for Identical Assets	Significant Observable Inputs	Significant Unobservable Inputs
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 332	$ 332	$ —	$ —
Equities:				
U.S. large value	2,434	2,434	—	—
U.S. large growth	2,059	2,059	—	—
International blend	4,854	—	4,854	—
Emerging markets	1,603	1,603	—	—
Balanced	18,246	—	18,246	—
Fixed income securities:				
Government bonds	24,917	—	24,917	—
Corporate bonds	12,634	—	12,634	—
Other	3,217	—	3,217	—
Real Estate:				
U.S. property	4,070	—	—	4,070
Total pension fund assets	$ 74,366	$ 6,428	$ 63,868	$ 4,070

	December 31, 2018			
		Quoted Prices in Active Markets for Identical Assets	Significant Observable Inputs	Significant Unobservable Inputs
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 623	$ 623	$ —	$ —
Equities:				
U.S. large value	4,815	4,815	—	—
U.S. large growth	5,270	5,270	—	—
International blend	9,134	—	9,134	—
Emerging markets	3,093	3,093	—	—
Balanced	17,952	—	17,952	—
Fixed income securities:				
Government bonds	10,240	—	10,240	—
Corporate bonds	11,297	—	11,297	—
Real Estate:				
U.S. property	10,962	—	—	10,962
Total pension fund assets	$ 73,386	$ 13,801	$ 48,623	$ 10,962

The fair value of our pension plan assets measured using significant unobservable inputs (Level 3) at December 31 are as follows:

	2019	2018
Beginning balance	$ 10,962	$ 10,153
Actual return on assets held at reporting date	430	809
Purchases, sales and settlements, net	(7,322)	—
Ending balance	$ 4,070	$ 10,962

The following table summarizes our expected future benefit payments of our pension and other post-retirement benefit plans:

Year Ending December 31,		Pension Plans
2020	$	4,390
2021	$	4,396
2022	$	4,360
2023	$	4,453
2024	$	4,493
2025 to 2029	$	22,209

18. Accumulated Other Comprehensive Loss

The activity for each item of accumulated other comprehensive loss is as follows:

	Foreign currency items	Derivative Instruments	Pension and Other Post-Retirement Benefit Plans	Accumulated other comprehensive loss
Ending balance, December 31, 2017	$ (17,172)	$ —	$ (24,063)	$ (41,235)
Net current period change	(5,675)	—	(1,290)	(6,965)
Derivative instruments	—	496	—	496
Reclassification adjustments for losses reclassified into income	—	—	233	233
Ending balance, December 31, 2018	$ (22,847)	$ 496	$ (25,120)	$ (47,471)
Net current period change	$ (1,185)	$ —	$ 2,415	$ 1,230
Derivative instruments	—	(32)	—	(32)
Reclassification adjustments for losses reclassified into income	—	—	323	323
Ending balance, December 31, 2019	$ (24,032)	$ 464	$ (22,382)	$ (45,950)

The related tax effects allocated to each component of other comprehensive (loss) income for the years ended December 31, 2019 and 2018 are as follows:

2019	Before Tax Amount	Tax Expense	After Tax Amount
Retirement benefits adjustment:			
Net actuarial gain and prior service credit	$ 3,320	$ (905)	$ 2,415
Reclassification of actuarial loss and prior service cost to net income	323	—	323
Net unrealized gain	3,643	(905)	2,738
Cumulative translation adjustment	(1,185)	—	(1,185)
Derivative instruments	(32)	—	(32)
Total other comprehensive income	$ 2,426	$ (905)	$ 1,521

2018	Before Tax Amount	Tax Expense	After Tax Amount
Retirement benefits adjustment:			
Net actuarial gain and prior service credit	$ (1,531)	$ 241	$ (1,290)
Reclassification of actuarial loss and prior service cost to net income	233	—	233
Net unrealized loss	(1,298)	241	(1,057)
Cumulative translation adjustment	(5,675)	—	(5,675)
Derivative instruments	496	—	496
Total other comprehensive loss	$ (6,477)	$ 241	$ (6,236)

19. Quarterly Financial Data (Unaudited)

As further described in Note 2, the previously reported financial information for the quarters ended March 31, 2019 and 2018, June 30, 2019 and 2018 and September 30, 2019 and 2018, have been restated. Relevant restated financial information for the first, second and third quarters of fiscal 2019 and 2018 is included in this Annual Report on Form 10-K in the tables that follow. The unaudited interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. Restated amounts are computed independently each quarter; therefore, the sum of the quarterly amounts may not equal the total amount for the respective year due to rounding.

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COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	As Restated		
	As of March 31, 2019	As of June 30, 2019	As of September 30, 2019
ASSETS			
Current Assets:			
Cash	$ 54,348	$ 60,521	$ 38,703
Accounts receivable, net of allowances	158,327	157,193	153,190
Inventories	97,280	92,913	90,186
Other current assets	15,001	14,632	14,897
Total current assets	324,956	325,259	296,976
Property, plant and equipment, net	65,167	69,832	71,645
Operating lease right-of-use assets, net	19,793	22,097	23,333
Goodwill	7,587	7,624	25,188
Intangible assets, net of accumulated amortization	12,492	12,188	28,841
Deferred income taxes, net	14,243	13,387	14,117
Other assets	2,771	2,322	2,394
Total assets	$ 447,009	$ 452,709	$ 462,494
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable	$ 96,305	$ 93,320	$ 88,835
Current operating lease liabilities	4,456	4,851	5,485
Accrued liabilities and other	35,697	34,936	38,885
Current portion of long-term debt	3,229	3,238	3,335
Total current liabilities	139,687	136,345	136,540
Long-term debt	155,572	154,758	154,950
Operating lease liabilities	16,538	18,567	19,192
Pension and other post-retirement liabilities	12,489	11,812	13,417
Other long-term liabilities	2,658	2,342	7,607
Total liabilities	326,944	323,824	331,706
Stockholders' Equity:			
Preferred stock, $.01 par value (5,000,000 shares authorized; no shares issued and outstanding)	—	—	—
Common stock, $.01 par value (60,000,000 shares authorized)	318	319	319
Treasury stock, at cost: 1,334,251 shares	(10,245)	(10,245)	(10,245)
Additional paid-in capital	243,768	244,486	245,207
Retained deficit	(66,099)	(59,953)	(52,773)
Accumulated other comprehensive loss	(47,677)	(45,722)	(51,720)
Total stockholders' equity	120,065	128,885	130,788
Total liabilities and stockholders' equity	$ 447,009	$ 452,709	$ 462,494

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	As Restated		
	As of March 31, 2018	As of June 30, 2018	As of September 30, 2018
ASSETS			
Current Assets:			
Cash	$ 37,908	$ 44,674	$ 57,525
Accounts receivable, net of allowances	141,821	150,576	150,507
Inventories	94,637	91,109	93,195
Other current assets	16,461	11,367	10,446
Total current assets	290,827	297,726	311,673
Property, plant and equipment, net	62,291	61,145	61,965
Operating lease right-of-use assets, net	—	—	—
Goodwill	7,941	7,658	7,374
Intangible assets, net of accumulated amortization	14,121	13,542	12,987
Deferred income taxes, net	18,447	14,303	12,499
Other assets	3,187	3,562	3,814
Total assets	$ 396,814	$ 397,936	$ 410,312
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities:			
Accounts payable	$ 85,602	$ 88,473	$ 91,582
Current operating lease liabilities	—	—	—
Accrued liabilities and other	31,761	31,870	34,400
Current portion of long-term debt	3,199	3,208	3,217
Total current liabilities	120,562	123,551	129,199
Long-term debt	162,951	162,145	161,340
Revolving Credit Facility	7,500	—	—
Pension and other post-retirement liabilities	15,367	14,429	14,534
Other long-term liabilities	6,862	6,622	4,582
Total liabilities	313,242	306,747	309,655
Stockholders' Equity:			
Preferred stock, $.01 par value (5,000,000 shares authorized; no shares issued and outstanding)	—	—	—
Common stock, $.01 par value (60,000,000 shares authorized)	304	304	304
Treasury stock, at cost: 1,175,795 shares	(9,114)	(9,114)	(9,114)
Additional paid-in capital	240,543	241,387	242,167
Retained deficit	(108,058)	(95,387)	(84,110)
Accumulated other comprehensive loss	(40,103)	(46,001)	(48,590)
Total stockholders' equity	83,572	91,189	100,657
Total liabilities and stockholders' equity	$ 396,814	$ 397,936	$ 410,312

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	As Restated					
	Three Months Ended	Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended	Three Months Ended
	March 31, 2019	June 30, 2019	June 30, 2019	September 30, 2019	September 30, 2019	December 31, 2019
Revenues	$ 243,164	$ 243,190	$ 486,354	$ 225,399	$ 711,753	$ 189,485
Cost of Revenues	210,075	210,754	420,829	195,955	616,784	179,317
Gross profit	33,089	32,436	65,525	29,444	94,969	10,168
Selling, General and Administrative Expenses	15,199	16,248	31,447	17,531	48,978	13,571
Amortization Expense	321	322	643	437	1,080	872
Operating Income (Loss)	17,569	15,866	33,435	11,476	44,911	(4,275)
Interest and Other Expense	4,396	7,490	11,886	3,800	15,686	3,394
Income before provision for income taxes	13,173	8,376	21,549	7,676	29,225	(7,669)
Provision for Income Taxes	3,187	2,230	5,417	496	5,913	(135)
Net Income (Loss)	$ 9,986	$ 6,146	$ 16,132	$ 7,180	$ 23,312	$ (7,534)
Income (Loss) per share attributable to common stockholders:						
Basic	$ 0.33	$ 0.20	$ 0.53	$ 0.23	$ 0.76	$ (0.24)
Diluted	$ 0.33	$ 0.20	$ 0.52	$ 0.23	$ 0.76	$ (0.24)
Weighted average common shares outstanding:						
Basic	30,513	30,547	30,530	30,581	30,547	30,758
Diluted	30,694	30,824	30,731	30,852	30,829	30,758

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	As Restated					
	Three Months Ended	Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended	Three Months Ended
	March 31, 2018	June 30, 2018	June 30, 2018	September 30, 2018	September 30, 2018	December 31, 2018
Revenues	$ 215,734	$ 233,391	$ 449,125	$ 225,010	$ 674,135	$ 223,602
Cost of Revenues	185,444	198,487	383,931	194,532	578,463	194,354
Gross profit	30,290	34,904	65,194	30,478	95,672	29,248
Selling, General and Administrative Expenses	15,214	14,349	29,563	15,613	45,176	15,503
Amortization Expense	332	327	659	321	980	320
Operating Income	14,744	20,228	34,972	14,544	49,516	13,425
Interest and Other Expense	1,750	3,213	4,963	3,442	8,405	4,960
Income before provision for income taxes	12,994	17,015	30,009	11,102	41,111	8,465
Provision for Income Taxes	3,550	4,344	7,894	(175)	7,719	368
Net Income	$ 9,444	$ 12,671	$ 22,115	$ 11,277	$ 33,392	$ 8,097
Income per share attributable to common stockholders:						
Basic	$ 0.31	$ 0.42	$ 0.73	$ 0.37	$ 1.11	$ 0.27
Diluted	$ 0.31	$ 0.42	$ 0.72	$ 0.37	$ 1.09	$ 0.26
Weighted average common shares outstanding:						
Basic	30,219	30,219	30,219	30,219	30,219	30,447
Diluted	30,574	30,513	30,543	30,638	30,575	30,543

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

	As Restated					
	Three Months Ended	Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended	Three Months Ended
	March 31, 2019	June 30, 2019	June 30, 2019	September 30, 2019	September 30, 2019	December 31, 2019
Net income (loss)	$ 9,986	$ 6,146	$ 16,132	$ 7,180	$ 23,312	$ (7,534)
Other comprehensive income (loss):						
Foreign currency translation adjustments	104	233	337	(3,388)	(3,051)	1,866
Minimum pension liability, net of tax	(649)	1,739	1,090	(2,095)	(1,005)	3,743
Derivative instrument	339	(17)	322	(515)	(193)	161
Other comprehensive income (loss)	(206)	1,955	1,749	(5,998)	(4,249)	5,770
Comprehensive income (loss)	$ 9,780	$ 8,101	$ 17,881	$ 1,182	$ 19,063	$ (1,764)

	As Restated					
	Three Months Ended	Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended	Three Months Ended
	March 31, 2018	June 30, 2018	June 30, 2018	September 30, 2018	September 30, 2018	December 31, 2018
Net income (loss)	$ 9,444	$ 12,671	$ 22,115	$ 11,277	$ 33,392	$ 8,097
Other comprehensive income (loss):						
Foreign currency translation adjustments	1,470	(5,304)	(3,834)	(1,529)	(5,363)	(312)
Minimum pension liability, net of tax	(338)	(594)	(932)	(1,060)	(1,992)	935
Derivative instrument	—	—	—	—	—	496
Other comprehensive income (loss)	1,132	(5,898)	(4,766)	(2,589)	(7,355)	1,119
Comprehensive income (loss)	$ 10,576	$ 6,773	$ 17,349	$ 8,688	$ 26,037	$ 9,216

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	As Restated		
	Three Months Ended March 31, 2019	Six Months Ended June 30, 2019	Nine Months Ended September 30, 2019
Cash Flows from Operating Activities:			
Net Income	$ 9,986	$ 16,132	$ 23,312
Adjustments to reconcile net income to cash flows from operating activities:			
Depreciation and amortization	3,681	6,984	10,865
Provision for doubtful accounts	2,350	3,396	5,000
Non-cash amortization of debt financing costs	342	685	1,030
Shared-based compensation expense	761	1,479	2,200
Deferred income taxes	2,298	2,263	1,840
Non-cash loss / (gain) on derivative contracts	737	1,823	2,092
Change in other operating items:			
Accounts receivable	(26,356)	(26,552)	(25,454)
Inventories	(4,739)	(462)	1,191
Prepaid expenses	(2,272)	(2,501)	(2,607)
Accounts payable	9,548	6,563	3,272
Other operating activities, net	(2,307)	(1,061)	5,767
Net cash provided by operating activities	(5,971)	8,749	28,508
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment	(5,580)	(12,800)	(18,743)
Proceeds from disposal/sale of property, plant and equipment	20	20	20
Payments for acquisitions	—	—	(34,000)
Net cash used in investing activities	(5,560)	(12,780)	(52,723)
Cash Flows from Financing Activities:			
Borrowings on Revolving Credit Facility	—	—	8,500
Repayment of Revolving Credit Facility	—	—	(8,500)
Repayment of Term Loan	(5,244)	(6,338)	(6,338)
Other financing activities	(105)	(222)	(381)
Net cash used in financing activities	(5,349)	(6,560)	(6,719)
Effect of Foreign Currency Exchange Rate Changes on Cash	315	199	(1,276)
Net (Decrease) Increase in Cash	(16,565)	(10,392)	(32,210)
Cash:			
Beginning of period	70,913	70,913	70,913
End of period	$ 54,348	$ 60,521	$ 38,703
Supplemental Cash Flow Information:			
Cash paid for interest	$ 3,373	$ 6,787	$ 10,212
Cash paid for income taxes, net	$ 2,593	$ 4,180	$ 5,530
Unpaid purchases of property and equipment included in accounts payable	$ 233	$ 526	$ 155

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COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	As Restated		
	Three Months Ended March 31, 2018	Six Months Ended June 30, 2018	Nine Months Ended September 30, 2018
Cash Flows from Operating Activities:			
Net Income	$ 9,444	$ 22,115	$ 33,392
Adjustments to reconcile net income to cash flows from operating activities:			
Depreciation and amortization	3,776	7,674	11,676
Provision for doubtful accounts	2,637	3,829	6,448
Non-cash amortization of debt financing costs	350	701	1,054
Shared-based compensation expense	673	1,517	2,297
Deferred income taxes	2,181	6,396	8,369
Non-cash loss / (gain) on derivative contracts	(2,489)	(2,161)	(2,842)
Change in other operating items:			
Accounts receivable	(34,884)	(47,306)	(50,389)
Inventories	5,261	7,010	4,507
Prepaid expenses	(1,496)	(2,507)	(2,126)
Accounts payable	(2,105)	2,845	6,653
Other operating activities, net	(3,363)	788	1,000
Net cash provided by operating activities	(20,015)	901	20,039
Cash Flows from Investing Activities:			
Purchases of property, plant and equipment	(1,716)	(5,158)	(9,823)
Proceeds from disposal/sale of property, plant and equipment	—	—	18
Net cash used in investing activities	(1,716)	(5,158)	(9,805)
Cash Flows from Financing Activities:			
Borrowings on Revolving Credit Facility	36,500	80,500	80,500
Repayment of Revolving Credit Facility	(29,000)	(80,500)	(80,500)
Repayment of Term Loan	(1,094)	(2,188)	(3,281)
Net cash used in financing activities	6,406	(2,188)	(3,281)
Effect of Foreign Currency Exchange Rate Changes on Cash	989	(1,125)	(1,672)
Net (Decrease) Increase in Cash	(14,336)	(7,570)	5,281
Cash:			
Beginning of period	52,244	52,244	52,244
End of period	$ 37,908	$ 44,674	$ 57,525
Supplemental Cash Flow Information:			
Cash paid for interest	$ 3,408	$ 6,937	$ 10,421
Cash paid for income taxes, net	$ 808	$ 1,693	$ 2,081
Unpaid purchases of property and equipment included in accounts payable	$ 49	$ 416	$ 132

Restatement of Previously Issued Interim Condensed Consolidated Financial Statements

The following tables present the impacts of the restatement adjustments to the previously reported financial information as of and for the periods ended March 31, 2019 and 2018, June 30, 2019 and 2018, September 30, 2019 and 2018, and December 31, 2018. The restatement references identified in the following tables directly correlate to the restatement adjustments detailed below. The restatement adjustments and error correction and their impact on previously reported consolidated financial statements are described below.

(a) Understatement of cost of revenues and impacted balance sheet accounts - Corrections for the understatement of cost of revenues by improperly capitalizing certain manufacturing expenses. Balance sheet accounts adjusted as a result of the improper capitalization of expenses include other current assets, accounts receivable, net of allowances and construction in progress.

(b) Property, plant and equipment, net - We recorded an adjustment for a previously identified property, plant and equipment, net error unrelated to the understatement of cost of revenues and related balance sheet accounts misstatements. This PPE was no longer in service as of the year ended December 31, 2016.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	As of March 31, 2019			As of March 31, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
ASSETS							
Current Assets:							
Cash	$ 54,348	$ —	$ 54,348	$ 37,908	$ —	$ 37,908	
Accounts receivable, net of allowances	159,016	(689)	158,327	141,823	(2)	141,821	a
Inventories	97,280	—	97,280	94,637	—	94,637	
Other current assets	21,257	(6,256)	15,001	18,385	(1,924)	16,461	a
Total current assets	331,901	(6,945)	324,956	292,753	(1,926)	290,827	
Property, plant and equipment, net of accumulated depreciation	66,128	(961)	65,167	63,400	(1,109)	62,291	b
Operating lease right-of-use assets, net	19,793	—	19,793	—	—	—	
Goodwill	7,587	—	7,587	7,941	—	7,941	
Intangible assets, net of accumulated amortization	12,492	—	12,492	14,121	—	14,121	
Deferred income taxes, net	12,923	1,320	14,243	18,240	207	18,447	a, b
Other assets	2,771	—	2,771	3,187	—	3,187	
Total assets	$ 453,595	$ (6,586)	$ 447,009	$ 399,642	$ (2,828)	$ 396,814	
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities:							
Accounts payable	$ 96,305	$ —	$ 96,305	$ 85,602	$ —	$ 85,602	
Current operating lease liabilities	4,456	—	4,456	—	—	—	
Accrued liabilities and other	35,697	—	35,697	31,761	—	31,761	
Current portion of long-term debt	3,229	—	3,229	3,199	—	3,199	
Total current liabilities	139,687	—	139,687	120,562	—	120,562	
Long-term debt	155,572	—	155,572	162,951	—	162,951	
Revolving Credit Facility	—	—	—	7,500	—	7,500	
Operating lease liabilities	16,538	—	16,538	—	—	—	
Pension and other post-retirement liabilities	12,489	—	12,489	15,367	—	15,367	
Other long-term liabilities	2,658	—	2,658	6,862	—	6,862	
Total liabilities	326,944	—	326,944	313,242	—	313,242	
Stockholders' Equity:							
Preferred stock, $.01 par value	—	—	—	—	—	—	
Common stock, $.01 par value	318	—	318	304	—	304	
Treasury stock, at cost	(10,245)	—	(10,245)	(9,114)	—	(9,114)	
Additional paid-in capital	243,768	—	243,768	240,543	—	240,543	
Retained deficit	(59,513)	(6,586)	(66,099)	(105,230)	(2,828)	(108,058)	a, b
Accumulated other comprehensive loss	(47,677)	—	(47,677)	(40,103)	—	(40,103)	
Total stockholders' equity	126,651	(6,586)	120,065	86,400	(2,828)	83,572	
Total liabilities and stockholders' equity	$ 453,595	$ (6,586)	$ 447,009	$ 399,642	$ (2,828)	$ 396,814	

As of March 31, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.7 million decrease in accounts receivable, net; a $6.3 million decrease in other current assets; a $1.6 million increase in long-term deferred tax assets; and a $5.3 million increase in retained deficit.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $1.0 million decrease in property, plant and equipment, net, a $0.3 million decrease in long-term deferred tax assets; and a $1.2 million increase in retained deficit.

As of March 31, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in an immaterial decrease in accounts receivable, net; a $1.9 million decrease in other current assets, a $0.4 million increase in long-term deferred tax assets; and a $1.5 million increase in retained deficit.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $1.1 million decrease in property, plant and equipment, net, a $0.2 million decrease in long-term deferred tax assets; and a $1.3 million increase in retained deficit.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	As of June 30, 2019			As of June 30, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
ASSETS							
Current Assets:							
Cash	$ 60,521	$ —	$ 60,521	$ 44,674	$ —	$ 44,674	
Accounts receivable, net of allowances	157,882	(689)	157,193	150,606	(30)	150,576	a
Inventories	92,913	—	92,913	91,109	—	91,109	
Other current assets	22,370	(7,738)	14,632	13,981	(2,614)	11,367	a
Total current assets	333,686	(8,427)	325,259	300,370	(2,644)	297,726	
Property, plant and equipment, net of accumulated depreciation	70,658	(826)	69,832	62,217	(1,072)	61,145	b
Operating lease right-of-use assets, net	22,097	—	22,097	—	—	—	
Goodwill	7,624	—	7,624	7,658	—	7,658	
Intangible assets, net of accumulated amortization	12,188	—	12,188	13,542	—	13,542	
Deferred income taxes, net	11,751	1,636	13,387	13,939	364	14,303	a, b
Other assets	2,322	—	2,322	3,562	—	3,562	
Total assets	$ 460,326	$ (7,617)	$ 452,709	$ 401,288	$ (3,352)	$ 397,936	
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities:							
Accounts payable	$ 93,320	$ —	$ 93,320	$ 88,473	$ —	$ 88,473	
Current operating lease liabilities	4,851	—	4,851	—	—	—	
Accrued liabilities and other	34,936	—	34,936	31,870	—	31,870	
Current portion of long-term debt	3,238	—	3,238	3,208	—	3,208	
Total current liabilities	136,345	—	136,345	123,551	—	123,551	
Long-term debt	154,758	—	154,758	162,145	—	162,145	
Operating lease liabilities	18,567	—	18,567	—	—	—	
Pension and other post-retirement liabilities	11,812	—	11,812	14,429	—	14,429	
Other long-term liabilities	2,342	—	2,342	6,622	—	6,622	
Total liabilities	323,824	—	323,824	306,747	—	306,747	
Stockholders' Equity:							
Preferred stock, $.01 par value	—	—	—	—	—	—	
Common stock, $.01 par value	319	—	319	304	—	304	
Treasury stock, at cost	(10,245)	—	(10,245)	(9,114)	—	(9,114)	
Additional paid-in capital	244,486	—	244,486	241,387	—	241,387	
Retained deficit	(52,336)	(7,617)	(59,953)	(92,035)	(3,352)	(95,387)	a, b
Accumulated other comprehensive loss	(45,722)	—	(45,722)	(46,001)	—	(46,001)	
Total stockholders' equity	136,502	(7,617)	128,885	94,541	(3,352)	91,189	
Total liabilities and stockholders' equity	$ 460,326	$ (7,617)	$ 452,709	$ 401,288	$ (3,352)	$ 397,936	

As of June 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.7 million decrease in accounts receivable, net; a $7.7 million decrease in other current assets; a $0.1 million increase in property, plant and equipment, net; a $1.9 million increase in long-term deferred tax assets; and a $6.4 million increase in retained deficit.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.9 million decrease in property, plant and equipment, net; a $0.3 million decrease in long-term deferred tax assets; and a $1.2 million increase in retained deficit.

As of June 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in an immaterial decrease in accounts receivable, net; a $2.6 million decrease in other current assets, a $0.6 million increase in long-term deferred tax assets; and a $2.0 million increase in retained deficit.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $1.1 million decrease in property, plant and equipment, net, a $0.2 million decrease in long-term deferred tax assets; and a $1.3 million increase in retained deficit.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	As of September 30, 2019			As of September 30, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
ASSETS							
Current Assets:							
Cash	$ 38,703	$ —	$ 38,703	$ 57,525	$ —	$ 57,525	
Accounts receivable, net of allowances	153,190	—	153,190	151,196	(689)	150,507	a
Inventories	90,186	—	90,186	93,195	—	93,195	
Other current assets	24,496	(9,599)	14,897	14,137	(3,691)	10,446	a
Total current assets	306,575	(9,599)	296,976	316,053	(4,380)	311,673	
Property, plant and equipment, net of accumulated depreciation	73,059	(1,414)	71,645	63,000	(1,035)	61,965	b
Operating lease right-of-use assets, net	23,333	—	23,333	—	—	—	
Goodwill	25,188	—	25,188	7,374	—	7,374	
Intangible assets, net of accumulated amortization	28,841	—	28,841	12,987	—	12,987	
Deferred income taxes, net	12,061	2,056	14,117	11,742	757	12,499	a, b
Other assets	2,394	—	2,394	3,814	—	3,814	
Total assets	$ 471,451	$ (8,957)	$ 462,494	$ 414,970	$ (4,658)	$ 410,312	
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current Liabilities:							
Accounts payable	$ 88,835	$ —	$ 88,835	$ 91,582	$ —	$ 91,582	
Current operating lease liabilities	5,485	—	5,485	—	—	—	
Accrued liabilities and other	38,885	—	38,885	34,400	—	34,400	
Current portion of long-term debt	3,335	—	3,335	3,217	—	3,217	
Total current liabilities	136,540	—	136,540	129,199	—	129,199	
Long-term debt	154,950	—	154,950	161,340	—	161,340	
Operating lease liabilities	19,192	—	19,192	—	—	—	
Pension and other post-retirement liabilities	13,417	—	13,417	14,534	—	14,534	
Other long-term liabilities	7,607	—	7,607	4,582	—	4,582	
Total liabilities	331,706	—	331,706	309,655	—	309,655	
Stockholders' Equity:							
Preferred stock, $.01 par value	—	—	—	—	—	—	
Common stock, $.01 par value	319	—	319	304	—	304	
Treasury stock, at cost	(10,245)	—	(10,245)	(9,114)	—	(9,114)	
Additional paid-in capital	245,207	—	245,207	242,167	—	242,167	
Retained deficit	(43,816)	(8,957)	(52,773)	(79,452)	(4,658)	(84,110)	a, b
Accumulated other comprehensive loss	(51,720)	—	(51,720)	(48,590)	—	(48,590)	
Total stockholders' equity	139,745	(8,957)	130,788	105,315	(4,658)	100,657	
Total liabilities and stockholders' equity	$ 471,451	$ (8,957)	$ 462,494	$ 414,970	$ (4,658)	$ 410,312	

As of September 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $9.6 million decrease in other current assets; a $0.5 million decrease in property, plant and equipment, net; a $2.3 million increase in long-term deferred tax assets; a $7.8 million increase in retained deficit.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.9 million decrease in property, plant and equipment, net; a $0.3 million decrease in long-term deferred tax assets; and a $1.2 million increase in retained deficit

As of September 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.7 million decrease in accounts receivable, net; a $3.7 million decrease in other current assets; a $1.0 million increase in long-term deferred tax assets; and a $3.4 million increase in retained deficit.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $1.0 million decrease in property, plant and equipment, net; a $0.3 million decrease in long-term deferred tax assets; and a $1.3 million increase in retained deficit.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31, 2019			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Revenues	$ 243,164	$ —	$ 243,164	
Cost of Revenues	208,604	1,471	210,075	a, b
Gross profit	34,560	(1,471)	33,089	
Selling, General and Administrative Expenses	15,199	—	15,199	
Amortization Expense	321	—	321	
Operating Income (Loss)	19,040	(1,471)	17,569	
Interest and Other Expense	4,396	—	4,396	
Income before provision for income taxes	14,644	(1,471)	13,173	a, b
Provision for Income Taxes	3,514	(327)	3,187	a, b
Net Income (Loss)	$ 11,130	$ (1,144)	$ 9,986	
Income (Loss) per share attributable to common stockholders:				
Basic	$ 0.36	$ (0.04)	$ 0.33	
Diluted	$ 0.36	$ (0.04)	$ 0.33	
Weighted average common shares outstanding:				
Basic	30,513	30,513	30,513	
Diluted	30,694	30,694	30,694	

For the three months ended March 31, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.5 million increase in cost of revenues; a $0.3 million decrease in provision for income taxes; and a $1.1 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial decrease in cost of revenues; an immaterial increase in provision for income taxes; and an immaterial increase in net income.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended June 30, 2019			Six Months Ended June 30, 2019			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Revenues	$ 243,190	$ —	$ 243,190	$ 486,354	$ —	$ 486,354	
Cost of Revenues	209,407	1,347	210,754	418,011	2,818	420,829	a, b
Gross profit	33,783	(1,347)	32,436	68,343	(2,818)	65,525	
Selling, General and Administrative Expenses	16,248	—	16,248	31,447	—	31,447	
Amortization Expense	322	—	322	643	—	643	
Operating Income (Loss)	17,213	(1,347)	15,866	36,253	(2,818)	33,435	
Interest and Other Expense	7,490	—	7,490	11,886	—	11,886	
Income before provision for income taxes	9,723	(1,347)	8,376	24,367	(2,818)	21,549	a, b
Provision for Income Taxes	2,546	(316)	2,230	6,060	(643)	5,417	a, b
Net Income (Loss)	$ 7,177	$ (1,031)	$ 6,146	$ 18,307	$ (2,175)	$ 16,132	
Income (Loss) per share attributable to common stockholders:							
Basic	$ 0.23	$ (0.03)	$ 0.20	$ 0.60	$ (0.07)	$ 0.53	
Diluted	$ 0.23	$ (0.03)	$ 0.20	$ 0.60	$ (0.07)	$ 0.52	
Weighted average common shares outstanding:							
Basic	30,547	30,547	30,547	30,530	30,530	30,530	
Diluted	30,824	30,824	30,824	30,731	30,731	30,731	

For the three months ended June 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.4 million increase in cost of revenues; a $0.3 million decrease in provision for income taxes; and a $1.0 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial decrease in cost of revenues; an immaterial increase in provision for income taxes; and an immaterial increase in net income.

For the six months ended June 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $2.9 million increase in cost of revenues; a $0.7 million decrease in provision for income taxes; and a $2.2 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million decrease in cost of revenues; an immaterial increase in provision for income taxes; and a $0.1 million increase in net income.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended September 30, 2019			Nine Months Ended September 30, 2019			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Revenues	$ 225,399	$ —	$ 225,399	$ 711,753	$ —	$ 711,753	
Cost of Revenues	194,195	1,760	195,955	612,206	4,578	616,784	a, b
Gross profit	31,204	(1,760)	29,444	99,547	(4,578)	94,969	
Selling, General and Administrative Expenses	17,531	—	17,531	48,978	—	48,978	
Amortization Expense	437	—	437	1,080	—	1,080	
Operating Income (Loss)	13,236	(1,760)	11,476	49,489	(4,578)	44,911	
Interest and Other Expense	3,800	—	3,800	15,686	—	15,686	
Income before provision for income taxes	9,436	(1,760)	7,676	33,803	(4,578)	29,225	a, b
Provision for Income Taxes	916	(420)	496	6,976	(1,063)	5,913	a, b
Net Income (Loss)	$ 8,520	$ (1,340)	$ 7,180	$ 26,827	$ (3,515)	$ 23,312	
Income (Loss) per share attributable to common stockholders:							
Basic	$ 0.28	$ (0.04)	$ 0.23	$ 0.88	$ (0.12)	$ 0.76	
Diluted	$ 0.28	$ (0.04)	$ 0.23	$ 0.87	$ (0.11)	$ 0.76	
Weighted average common shares outstanding:							
Basic	30,581	30,581	30,581	30,547	30,547	30,547	
Diluted	30,852	30,852	30,852	30,829	30,829	30,829	

For the three months ended September 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.8 million increase in cost of revenues; a $0.4 million decrease in provision for income taxes; and a $1.3 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial decrease in cost of revenues; an immaterial increase in provision for income taxes; and an immaterial increase in net income.

For the nine months ended September 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $4.7 million increase in cost of revenues; a $1.1 million decrease in provision for income taxes; and a $3.6 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million decrease in cost of revenues; an immaterial increase in provision for income taxes; and a $0.1 million increase in net income.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Revenues	$ 215,734	$ —	$ 215,734	
Cost of Revenues	184,912	532	185,444	a, b
Gross profit	30,822	(532)	30,290	
Selling, General and Administrative Expenses	15,214	—	15,214	
Amortization Expense	332	—	332	
Operating Income (Loss)	15,276	(532)	14,744	
Interest and Other Expense	1,750	—	1,750	
Income before provision for income taxes	13,526	(532)	12,994	a, b
Provision for Income Taxes	3,673	(123)	3,550	a, b
Net Income (Loss)	$ 9,853	$ (409)	$ 9,444	
Income (Loss) per share attributable to common stockholders:				
Basic	$ 0.33	$ (0.01)	$ 0.31	
Diluted	$ 0.32	$ (0.01)	$ 0.31	
Weighted average common shares outstanding:				
Basic	30,219	30,219	30,219	
Diluted	30,574	30,574	30,574	

For the three months ended March 31, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.5 million increase in cost of revenues; a $0.1 million decrease in provision for income taxes; and a $0.4 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial decrease in cost of revenues; an immaterial increase in provision for income taxes; and an immaterial increase in net income.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended June 30, 2018			Six Months Ended June 30, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Revenues	$ 233,391	$ —	$ 233,391	$ 449,125	$ —	$ 449,125	
Cost of Revenues	197,806	681	198,487	382,718	1,213	383,931	a, b
Gross profit	35,585	(681)	34,904	66,407	(1,213)	65,194	
Selling, General and Administrative Expenses	14,349	—	14,349	29,563	—	29,563	
Amortization Expense	327	—	327	659	—	659	
Operating Income (Loss)	20,909	(681)	20,228	36,185	(1,213)	34,972	
Interest and Other Expense	3,213	—	3,213	4,963	—	4,963	
Income before provision for income taxes	17,696	(681)	17,015	31,222	(1,213)	30,009	a, b
Provision for Income Taxes	4,501	(157)	4,344	8,174	(280)	7,894	a, b
Net Income (Loss)	$ 13,195	$ (524)	$ 12,671	$ 23,048	$ (933)	$ 22,115	
Income (Loss) per share attributable to common stockholders:							
Basic	$ 0.44	$ (0.02)	$ 0.42	$ 0.76	$ (0.03)	$ 0.73	
Diluted	$ 0.43	$ (0.02)	$ 0.42	$ 0.75	$ (0.03)	$ 0.72	
Weighted average common shares outstanding:							
Basic	30,219	30,219	30,219	30,219	30,219	30,219	
Diluted	30,513	30,513	30,513	30,543	30,543	30,543	

For the three months ended June 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.7 million increase in cost of revenues; a $0.2 million decrease in provision for income taxes; and a $0.5 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial decrease in cost of revenues; an immaterial increase in provision for income taxes; and an immaterial increase in net income.

For the six months ended June 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.3 million increase in cost of revenues; a $0.3 million decrease in provision for income taxes; and a $1.0 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million decrease in cost of revenues; an immaterial increase in provision for income taxes; and a $0.1 million increase in net income.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended September 30, 2018			Nine Months Ended September 30, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Revenues	$ 225,010	$ —	$ 225,010	$ 674,135	$ —	$ 674,135	
Cost of Revenues	192,833	1,699	194,532	575,551	2,912	578,463	a, b
Gross profit	32,177	(1,699)	30,478	98,584	(2,912)	95,672	
Selling, General and Administrative Expenses	15,613	—	15,613	45,176	—	45,176	
Amortization Expense	321	—	321	980	—	980	
Operating Income (Loss)	16,243	(1,699)	14,544	52,428	(2,912)	49,516	
Interest and Other Expense	3,442	—	3,442	8,405	—	8,405	
Income before provision for income taxes	12,801	(1,699)	11,102	44,023	(2,912)	41,111	a, b
Provision for Income Taxes	218	(393)	(175)	8,392	(673)	7,719	a, b
Net Income (Loss)	$ 12,583	$ (1,306)	$ 11,277	$ 35,631	$ (2,239)	$ 33,392	
Income (Loss) per share attributable to common stockholders:							
Basic	$ 0.42	$ (0.04)	$ 0.37	$ 1.18	$ (0.07)	$ 1.11	
Diluted	$ 0.41	$ (0.04)	$ 0.37	$ 1.17	$ (0.07)	$ 1.09	
Weighted average common shares outstanding:							
Basic	30,219	30,219	30,219	30,219	30,219	30,219	
Diluted	30,638	30,638	30,638	30,575	30,575	30,575	

For the three months ended September 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.7 million increase in cost of revenues; a $0.4 million decrease in provision for income taxes; and a $1.3 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial decrease in cost of revenues; an immaterial increase in provision for income taxes; and an immaterial increase in net income.

For the nine months ended September 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the corrections resulted in a $3.0 million increase in cost of revenues; a $0.7 million decrease in provision for income taxes; and a $2.3 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million decrease in cost of revenues; and a $0.1 million increase in net income.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended December 31, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Revenues	$ 223,602	$ —	$ 223,602	
Cost of Revenues	193,334	1,020	194,354	a, b
Gross profit	30,268	(1,020)	29,248	
Selling, General and Administrative Expenses	15,503	—	15,503	
Amortization Expense	320	—	320	
Operating Income (Loss)	14,445	(1,020)	13,425	
Interest and Other Expense	4,960	—	4,960	
Income before provision for income taxes	9,485	(1,020)	8,465	a, b
Provision for Income Taxes	604	(236)	368	a, b
Net Income (Loss)	$ 8,881	$ (784)	$ 8,097	
Income (Loss) per share attributable to common stockholders:				
Basic	$ 0.29	$ (0.03)	$ 0.27	
Diluted	$ 0.29	$ (0.03)	$ 0.26	
Weighted average common shares outstanding:				
Basic	30,447	30,219	30,447	
Diluted	30,543	30,543	30,543	

For the three months ended December 31, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.0 million increase in cost of revenues; a $0.2 million decrease in provision for income taxes; and a $0.8 million decrease in net income.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial decrease in cost of revenues; an immaterial increase in provision for income taxes; and an immaterial increase in net income.

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

	Three Months Ended March 31, 2019			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Net income (loss)	$ 11,130	$ (1,144)	$ 9,986	a, b
Other comprehensive income (loss):			—	
Foreign currency translation adjustments	104	—	104	
Minimum pension liability, net of tax	(649)	—	(649)	
Derivative instrument	339	—	339	
Other comprehensive income (loss)	(206)	—	(206)	
Comprehensive income (loss)	$ 10,924	$ (1,144)	$ 9,780	

For the three months ended March 31, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.1 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

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

	Three Months Ended June 30, 2019			Six Months Ended June 30, 2019			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Net Income (Loss)	$ 7,177	$ (1,031)	$ 6,146	$ 18,307	$ (2,175)	$ 16,132	a, b
Other comprehensive income (loss):			—			—	
Foreign currency translation adjustments	233	—	233	337	—	337	
Minimum pension liability, net of tax	1,739	—	1,739	1,090	—	1,090	
Derivative instrument	(17)	—	(17)	322	—	322	
Other comprehensive income (loss)	1,955	—	1,955	1,749	—	1,749	
Comprehensive income (loss)	$ 9,132	$ (1,031)	$ 8,101	$ 20,056	$ (2,175)	$ 17,881	

For the three months ended June 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.0 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

For the six months ended June 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $2.2 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

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

	Three Months Ended September 30, 2019			Nine Months Ended September 30, 2019			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Net Income (Loss)	$ 8,520	$ (1,340)	$ 7,180	$ 26,827	$ (3,515)	$ 23,312	a, b
Other comprehensive income (loss):			—			—	
Foreign currency translation adjustments	(3,388)	—	(3,388)	(3,051)	—	(3,051)	
Minimum pension liability, net of tax	(2,095)	—	(2,095)	(1,005)	—	(1,005)	
Derivative instrument	(515)	—	(515)	(193)	—	(193)	
Other comprehensive income (loss)	(5,998)	—	(5,998)	(4,249)	—	(4,249)	
Comprehensive income (loss)	$ 2,522	$ (1,340)	$ 1,182	$ 22,578	$ (3,515)	$ 19,063	

For the three months ended September 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.3 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

For the nine months ended September 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $3.6 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

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

	Three Months Ended March 31, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Net income (loss)	$ 9,853	$ (409)	$ 9,444	a, b
Other comprehensive income (loss):			—	
Foreign currency translation adjustments	1,470	—	1,470	
Minimum pension liability, net of tax	(338)	—	(338)	
Derivative instrument	—	—	—	
Other comprehensive income (loss)	1,132	—	1,132	
Comprehensive income (loss)	$ 10,985	$ (409)	$ 10,576	

For the three months ended March 31, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.4 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

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

	Three Months Ended June 30, 2018			Six Months Ended June 30, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Net Income (Loss)	$ 13,195	$ (524)	$ 12,671	$ 23,048	$ (933)	$ 22,115	a, b
Other comprehensive income (loss):			—			—	
Foreign currency translation adjustments	(5,304)	—	(5,304)	(3,834)	—	(3,834)	
Minimum pension liability, net of tax	(594)	—	(594)	(932)	—	(932)	
Derivative instrument	—	—	—	—	—	—	
Other comprehensive income (loss)	(5,898)	—	(5,898)	(4,766)	—	(4,766)	
Comprehensive income (loss)	$ 7,297	$ (524)	$ 6,773	$ 18,282	$ (933)	$ 17,349	

For the three months ended June 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.5 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

For the six months ended June 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.0 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

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

	Three Months Ended September 30, 2018			Nine Months Ended September 30, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Net Income (Loss)	$ 12,583	$ (1,306)	$ 11,277	$ 35,631	$ (2,239)	$ 33,392	a, b
Other comprehensive income (loss):			—			—	
Foreign currency translation adjustments	(1,529)	—	(1,529)	(5,363)	—	(5,363)	
Minimum pension liability, net of tax	(1,060)	—	(1,060)	(1,992)	—	(1,992)	
Derivative instrument	—	—	—	—	—	—	
Other comprehensive income (loss)	(2,589)	—	(2,589)	(7,355)	—	(7,355)	
Comprehensive income (loss)	$ 9,994	$ (1,306)	$ 8,688	$ 28,276	$ (2,239)	$ 26,037	

For the three months ended September 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.3 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

For the nine months ended September 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $2.3 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

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

	Three Months Ended December 31, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Net income (loss)	$ 8,881	$ (784)	$ 8,097	a, b
Other comprehensive income (loss):			—	
Foreign currency translation adjustments	(312)	—	(312)	
Minimum pension liability, net of tax	935	—	935	
Derivative instrument	496	—	496	
Other comprehensive income (loss)	1,119	—	1,119	
Comprehensive income (loss)	$ 10,000	$ (784)	$ 9,216	

For the three months ended December 31, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.8 million decrease in net income. Refer to descriptions of the adjustments and their impacts to net income above.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial increase in net income. Refer to descriptions of the adjustment and its impact to net income above.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2019			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Cash Flows from Operating Activities:				
Net Income	$ 11,130	$ (1,144)	$ 9,986	a, b
Adjustments to reconcile net income to cash flows from operating activities:				
Depreciation and amortization	3,718	(37)	3,681	b
Provision for doubtful accounts	2,350	—	2,350	
Non-cash amortization of debt financing costs	342	—	342	
Shared-based compensation expense	761	—	761	
Deferred income taxes	2,625	(327)	2,298	a, b
Non-cash loss / (gain) on derivative contracts	737	—	737	
Change in other operating items:				
Accounts receivable	(26,356)	—	(26,356)	a
Inventories	(4,739)	—	(4,739)	
Prepaid expenses	(3,780)	1,508	(2,272)	a
Accounts payable	9,548	—	9,548	
Other operating activities, net	(2,307)	—	(2,307)	
Net cash provided by operating activities	(5,971)	—	(5,971)	
Cash Flows from Investing Activities:				
Purchases of property, plant and equipment	(5,580)	—	(5,580)	a
Proceeds from disposal/sale of property, plant and equipment	20	—	20	
Net cash used in investing activities	(5,560)	—	(5,560)	
Cash Flows from Financing Activities:				
Repayment of Term Loan	(5,244)	—	(5,244)	
Other financing activities	(105)	—	(105)	
Net cash used in financing activities	(5,349)	—	(5,349)	
Effect of Foreign Currency Exchange Rate Changes on Cash	315	—	315	
Net Decrease in Cash	(16,565)	—	(16,565)	
Cash:				
Beginning of period	70,913	—	70,913	
End of period	$ 54,348	$ —	$ 54,348	
Supplemental Cash Flow Information:				
Cash paid for interest	$ 3,373	$ —	$ 3,373	
Cash paid for income taxes, net	$ 2,593	$ —	$ 2,593	
Unpaid purchases of property and equipment included in accounts payable	$ 233	$ —	$ 233	

For the three months ended March 31, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.1 million decrease in net income; a $0.3 million decrease in deferred income tax; and a $1.5 million decrease in change in prepaid expenses.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial increase in net income; an immaterial decrease in depreciation expense; and an immaterial increase in deferred income tax.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2019			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Cash Flows from Operating Activities:				
Net Income	$ 18,307	$ (2,175)	$ 16,132	a, b
Adjustments to reconcile net income to cash flows from operating activities:				
Depreciation and amortization	7,058	(74)	6,984	b
Provision for doubtful accounts	3,396	—	3,396	
Non-cash amortization of debt financing costs	685	—	685	
Shared-based compensation expense	1,479	—	1,479	
Deferred income taxes	2,906	(643)	2,263	a, b
Non-cash loss / (gain) on derivative contracts	1,823	—	1,823	
Change in other operating items:				
Accounts receivable	(26,552)	—	(26,552)	a
Inventories	(462)	—	(462)	
Prepaid expenses	(5,491)	2,990	(2,501)	a
Accounts payable	6,563	—	6,563	
Other operating activities, net	(1,061)	—	(1,061)	
Net cash provided by operating activities	8,651	98	8,749	
Cash Flows from Investing Activities:				
Purchases of property, plant and equipment	(12,702)	(98)	(12,800)	a
Proceeds from disposal/sale of property, plant and equipment	20	—	20	
Net cash used in investing activities	(12,682)	(98)	(12,780)	
Cash Flows from Financing Activities:				
Repayment of Term Loan	(6,338)	—	(6,338)	
Other financing activities	(222)	—	(222)	
Net cash used in financing activities	(6,560)	—	(6,560)	
Effect of Foreign Currency Exchange Rate Changes on Cash	199	—	199	
Net Decrease in Cash	(10,392)	—	(10,392)	
Cash:				
Beginning of period	70,913	—	70,913	
End of period	$ 60,521	$ —	$ 60,521	
Supplemental Cash Flow Information:				
Cash paid for interest	$ 6,787	$ —	$ 6,787	
Cash paid for income taxes, net	$ 4,180	$ —	$ 4,180	
Unpaid purchases of property and equipment included in accounts payable	$ 526	$ —	$ 526	

For the six months ended June 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $2.2 million decrease in net income; a $0.7 million decrease in deferred income tax; a $3.0 million decrease in change in prepaid expenses; and a $0.1 million increase in purchases of property, plant and equipment.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million increase in net income; a $0.1 million decrease in depreciation expense; and an immaterial increase in deferred income tax.

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COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30, 2019			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Cash Flows from Operating Activities:				
Net Income	$ 26,827	$ (3,515)	$ 23,312	a, b
Adjustments to reconcile net income to cash flows from operating activities:				
Depreciation and amortization	10,976	(111)	10,865	b
Provision for doubtful accounts	5,000	—	5,000	
Non-cash amortization of debt financing costs	1,030	—	1,030	
Shared-based compensation expense	2,200	—	2,200	
Deferred income taxes	2,903	(1,063)	1,840	a, b
Non-cash loss / (gain) on derivative contracts	2,092	—	2,092	
Change in other operating items:				
Accounts receivable	(24,765)	(689)	(25,454)	a
Inventories	1,191	—	1,191	
Prepaid expenses	(7,458)	4,851	(2,607)	a
Accounts payable	3,272	—	3,272	
Other operating activities, net	5,767	—	5,767	
Net cash provided by operating activities	29,035	(527)	28,508	
Cash Flows from Investing Activities:				
Purchases of property, plant and equipment	(19,270)	527	(18,743)	a
Proceeds from disposal/sale of property, plant and equipment	20	—	20	
Payments for acquisitions	(34,000)	—	(34,000)	
Net cash used in investing activities	(53,250)	527	(52,723)	
Cash Flows from Financing Activities:				
Borrowings on Revolving Credit Facility	8,500	—	8,500	
Repayment of Revolving Credit Facility	(8,500)	—	(8,500)	
Repayment of Term Loan	(6,338)	—	(6,338)	
Other financing activities	(381)	—	(381)	
Net cash used in financing activities	(6,719)	—	(6,719)	
Effect of Foreign Currency Exchange Rate Changes on Cash	(1,276)	—	(1,276)	
Net Decrease in Cash	(32,210)	—	(32,210)	
Cash:				
Beginning of period	70,913	—	70,913	
End of period	$ 38,703	$ —	$ 38,703	
Supplemental Cash Flow Information:				
Cash paid for interest	$ 10,212	$ —	$ 10,212	
Cash paid for income taxes, net	$ 5,530	$ —	$ 5,530	
Unpaid purchases of property and equipment included in accounts payable	$ 155	$ —	$ 155	

For the nine months ended September 30, 2019

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $3.6 million decrease in net income; a $1.1 million decrease in deferred income tax; a $0.7 million increase in change in accounts receivable; a $4.9 million decrease in change in prepaid expenses; and a $0.5 million decrease in purchases of property, plant and equipment.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million increase in net income; a $0.1 million decrease in depreciation expense; and an immaterial increase in deferred income tax.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Cash Flows from Operating Activities:				
Net Income	$ 9,853	$ (409)	$ 9,444	a, b
Adjustments to reconcile net income to cash flows from operating activities:				
Depreciation and amortization	3,813	(37)	3,776	b
Provision for doubtful accounts	2,637	—	2,637	
Non-cash amortization of debt financing costs	350	—	350	
Shared-based compensation expense	673	—	673	
Deferred income taxes	2,304	(123)	2,181	a, b
Non-cash loss / (gain) on derivative contracts	(2,489)	—	(2,489)	
Change in other operating items:				
Accounts receivable	(34,884)	—	(34,884)	
Inventories	5,261	—	5,261	
Prepaid expenses	(2,065)	569	(1,496)	a
Accounts payable	(2,105)	—	(2,105)	
Other operating activities, net	(3,363)	—	(3,363)	
Net cash provided by operating activities	(20,015)	—	(20,015)	
Cash Flows from Investing Activities:				
Purchases of property, plant and equipment	(1,716)	—	(1,716)	
Net cash used in investing activities	(1,716)	—	(1,716)	
Cash Flows from Financing Activities:				
Borrowings on Revolving Credit Facility	36,500	—	36,500	
Repayment of Revolving Credit Facility	(29,000)	—	(29,000)	
Repayment of Term Loan	(1,094)	—	(1,094)	
Net cash used in financing activities	6,406	—	6,406	
Effect of Foreign Currency Exchange Rate Changes on Cash	989	—	989	
Net Decrease in Cash	(14,336)	—	(14,336)	
Cash:				
Beginning of period	52,244	—	52,244	
End of period	$ 37,908	$ —	$ 37,908	
Supplemental Cash Flow Information:				
Cash paid for interest	$ 3,408	$ —	$ 3,408	
Cash paid for income taxes, net	$ 808	$ —	$ 808	
Unpaid purchases of property and equipment included in accounts payable	$ 49	$ —	$ 49	

For the three months ended March 31, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $0.4 million decrease in net income; a $0.1 million decrease in deferred income tax; and a $0.5 million decrease in change in prepaid expenses.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in an immaterial increase in net income; an immaterial decrease in depreciation expense; and an immaterial increase in deferred income tax.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Cash Flows from Operating Activities:				
Net Income	$ 23,048	$ (933)	$ 22,115	a, b
Adjustments to reconcile net income to cash flows from operating activities:				
Depreciation and amortization	7,748	(74)	7,674	b
Provision for doubtful accounts	3,829	—	3,829	
Non-cash amortization of debt financing costs	701	—	701	
Shared-based compensation expense	1,517	—	1,517	
Deferred income taxes	6,676	(280)	6,396	a, b
Non-cash loss / (gain) on derivative contracts	(2,161)	—	(2,161)	
Change in other operating items:				
Accounts receivable	(47,334)	28	(47,306)	a
Inventories	7,010	—	7,010	
Prepaid expenses	(3,766)	1,259	(2,507)	a
Accounts payable	2,845	—	2,845	
Other operating activities, net	788	—	788	
Net cash provided by operating activities	901	—	901	
Cash Flows from Investing Activities:				
Purchases of property, plant and equipment	(5,158)	—	(5,158)	
Net cash used in investing activities	(5,158)	—	(5,158)	
Cash Flows from Financing Activities:				
Borrowings on Revolving Credit Facility	80,500	—	80,500	
Repayment of Revolving Credit Facility	(80,500)	—	(80,500)	
Repayment of Term Loan	(2,188)	—	(2,188)	
Net cash used in financing activities	(2,188)	—	(2,188)	
Effect of Foreign Currency Exchange Rate Changes on Cash	(1,125)	—	(1,125)	
Net Decrease in Cash	(7,570)	—	(7,570)	
Cash:				
Beginning of period	52,244	—	52,244	
End of period	$ 44,674	$ —	$ 44,674	
Supplemental Cash Flow Information:				
Cash paid for interest	$ 6,937	$ —	$ 6,937	
Cash paid for income taxes, net	$ 1,693	$ —	$ 1,693	
Unpaid purchases of property and equipment included in accounts payable	$ 416	$ —	$ 416	

For the six months ended June 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $1.0 million decrease in net income; a $0.3 million decrease in deferred income tax; an immaterial increase in change in accounts receivable; and a $1.3 million decrease in change in prepaid expenses.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million increase in net income; a $0.1 million decrease in depreciation expense; and an immaterial increase in deferred income tax.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30, 2018			
	As Previously Reported	Restatement Adjustments	As Restated	Restatement References
Cash Flows from Operating Activities:				
Net Income	$ 35,631	$ (2,239)	$ 33,392	a, b
Adjustments to reconcile net income to cash flows from operating activities:				
Depreciation and amortization	11,787	(111)	11,676	b
Provision for doubtful accounts	6,448	—	6,448	
Non-cash amortization of debt financing costs	1,054	—	1,054	
Shared-based compensation expense	2,297	—	2,297	
Deferred income taxes	9,042	(673)	8,369	a, b
Non-cash loss / (gain) on derivative contracts	(2,842)	—	(2,842)	
Change in other operating items:			—	
Accounts receivable	(51,076)	687	(50,389)	a
Inventories	4,507	—	4,507	
Prepaid expenses	(4,462)	2,336	(2,126)	a
Accounts payable	6,653	—	6,653	
Other operating activities, net	1,000	—	1,000	
Net cash provided by operating activities	20,039	—	20,039	
Cash Flows from Investing Activities:				
Purchases of property, plant and equipment	(9,823)	—	(9,823)	
Proceeds from disposal/sale of property, plant and equipment	18	—	18	
Net cash used in investing activities	(9,805)	—	(9,805)	
Cash Flows from Financing Activities:				
Borrowings on Revolving Credit Facility	80,500	—	80,500	
Repayment of Revolving Credit Facility	(80,500)	—	(80,500)	
Repayment of Term Loan	(3,281)	—	(3,281)	
Net cash used in financing activities	(3,281)	—	(3,281)	
Effect of Foreign Currency Exchange Rate Changes on Cash	(1,672)	—	(1,672)	
Net Decrease in Cash	5,281	—	5,281	
Cash:				
Beginning of period	52,244	—	52,244	
End of period	$ 57,525	$ —	$ 57,525	
Supplemental Cash Flow Information:				
Cash paid for interest	$ 10,421	$ —	$ 10,421	
Cash paid for income taxes, net	$ 2,081	$ —	$ 2,081	
Unpaid purchases of property and equipment included in accounts payable	$ 132	$ —	$ 132	

For the nine months ended September 30, 2018

(a) Understatement of cost of revenues and impacted balance sheet accounts. As a result of the understatement of cost of revenues, the correction resulted in a $2.3 million decrease in net income; a $0.7 million decrease in deferred income tax; a $0.7 million increase in change in accounts receivable; and a $2.3 million decrease in change in prepaid expenses.

(b) Property, plant and equipment, net error correction. The immaterial error correction of property, plant and equipment, net, resulted in a $0.1 million increase in net income; a $0.1 million decrease in depreciation expense; and an immaterial increase in deferred income tax.

20. Cost Reduction and Manufacturing Capacity Rationalization

During 2019, the Company began implementing cost reduction and manufacturing capacity rationalization initiatives (the "Restructuring Initiatives") in response to declines in end market volumes. These actions were initiated in 2019 and are expected to continue through 2020. The Restructuring Initiatives consist primarily of headcount reductions in each segment and at corporate, as well as other costs associated with transfer of production and subsequent closure of facilities.

Total pre-tax costs associated with these actions are estimated to be $5 million to $7 million and are expected to lower operating costs beginning in the first quarter of 2020. A summary of the costs incurred in the year ended December 31, 2019 follows:

	2019		
	Employee Costs	Facility Exit and Other Costs	Total
Electrical Systems	$ 1,820	$ 339	$ 2,159
Global Seating	489	—	489
Corporate	310	—	310
Total	$ 2,619	$ 339	$ 2,958

Of the $3.0 million incurred in the year ended December 31, 2019, $2.2 million was recorded in cost of revenues and $0.8 million was recorded in selling, general and administrative expenses.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

There were no disagreements with our independent accountants on matters of accounting and financial disclosures or reportable events.

Item 9A. *Controls and Procedures*

Restatement of Previously Issued Financial Statements

As described in Note 2 of the Notes to the Consolidated Financial Statements included within this Annual Report on Form 10-K, on March 12, 2020, the Audit Committee of the Board of Directors of the Company, after considering the recommendations of management, and discussing such recommendations with outside SEC counsel and KPMG, LLP, the Company's independent registered public accounting firm, concluded that our audited consolidated financial statements as of and for the year ended December 31, 2018, included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and our unaudited consolidated financial statements as of and for the quarterly periods ended March 31, 2019 and 2018, June 30, 2019 and 2018, and September 30, 2019 and 2018, included in our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2019, June 30, 2019 and September 30, 2019, should no longer be relied upon due to misstatements. Accordingly, the consolidated financial statements for the year ended December 31, 2018, selected financial data (Item 6. "Selected Financial Data") and relevant unaudited interim financial information for the quarterly periods ended March 31, 2019 and 2018, June 30, 2019 and 2018, September 30, 2019 and 2018, and December 31, 2018 included within this Annual Report on Form 10-K have been restated.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the "Exchange Act,") as of the end of the period covered by this Annual Report on Form 10-K. Based on this evaluation, our chief executive officer and chief financial officer concluded that, as of December 31, 2019 our disclosure controls and procedures were not effective as a result of the material weaknesses discussed below.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining, under the direction of our chief executive officer and chief financial officer and supervision of the Board of Directors, adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

We have excluded from our assessment of internal control over financial reporting at December 31, 2019 the internal control over financial reporting of FSE, the assets of which were acquired in 2019 (see Note 5 in Item 8 of this Annual Report on Form 10-K). As of and for the year ended December 31, 2019, the assets and revenue represented by the acquired business was $46.9 million and $12.8 million, respectively.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on our assessment, management concluded that our internal control over financial reporting was not effective as of December 31, 2019 as a result of the material weaknesses discussed below.

A "material weakness" is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The Company identified errors in the accounting for prepaid production tooling (presented in other current assets in the Consolidated Balance Sheets), construction-in-progress and miscellaneous accounts receivable (presented in accounts receivable, net in the Consolidated Balance Sheets) in one manufacturing facility. These errors resulted from material weaknesses due to an ineffective risk management process that resulted in ineffectively designed controls over balance sheet account reconciliations and review of manual journal entries.

The three material weaknesses identified resulted in material misstatements that have been corrected in the consolidated financial statements filed as part of this Annual Report on Form 10-K (Item 8. "Financial Statements and Supplementary Data", Note 2).

KPMG LLP, the independent registered public accounting firm that audited the consolidated financial statements included in this annual report, has issued an attestation report on our internal control over financial reporting, which expressed an adverse opinion on the effectiveness of our internal control over financial reporting

Remediation Plan and Status

The Company has developed a remediation plan which includes, but is not limited to, an assessment of the Company's processes and controls over balance sheet account reconciliations, manual journal entries and risk assessment. Based on the results of that assessment, we intend to undertake such measures as deemed necessary, including:

1) enhancing the design of the balance sheet account reconciliation process to better enable the proper and timely review of balance sheet account reconciliations, including the supporting documentation thereto;

2) enhancing the design of the manual journal entry process to better enable the proper and timely review of manual journal entries, including the supporting documentation thereto; and

3) enhancing the Company's risk assessment process to reduce the risk of financial misstatements.

While the foregoing measures are intended to effectively remediate the material weaknesses described in this Item 9A, it is possible that additional remediation steps will be necessary. As we continue to evaluate and implement our plan to remediate the material weaknesses, our management may decide to take additional measures to address the material weaknesses or modify the remediation steps described above. Until these material weaknesses are remediated, we plan to continue to perform additional analyses and other procedures to help ensure that our consolidated financial statements are prepared in accordance with GAAP.

Changes in Internal Control Over Financial Reporting

Other than described above in this Item 9A, there were no changes in our internal control over financial reporting during the quarter ended December 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Commercial Vehicle Group, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Commercial Vehicle Group, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, because of the effect of the material weaknesses, described below, on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes and financial statement schedule II; Valuation and Qualifying Accounts and Reserves (collectively, the consolidated financial statements), and our report dated March 16, 2020 expressed an unqualified opinion on those consolidated financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. Material weaknesses related to an ineffective risk assessment process that resulted in ineffectively designed controls over balance sheet account reconciliations and review of manual journal entries have been identified and included in management's assessment. The material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements, and this report does not affect our report on those consolidated financial statements.

The Company acquired First Source Electronics, LLC (FSE) during 2019, and management excluded from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2019, FSE's internal control over financial reporting associated with total assets of $46.9 million and total revenues of $12.8 million included in the consolidated financial statements of the Company as of and for the year ended December 31, 2019. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of FSE.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Columbus, Ohio
March 16, 2020

Item 9B. ***Other Information***

On March 12, 2020, the Board of Directors of the Company, approved adjustments to the Company's manufacturing facility footprint and capacity utilization, and selling, general and administrative costs. These restructuring and cost reduction actions are expected to lower operating costs by $5 million to $7 million annually when fully implemented by early 2021. Pre-tax costs associated with these actions are expected to be $6 million to $8 million, the majority of which is employee-related separation costs and other costs associated with the transfer of manufacturing production and subsequent closure of facilities.

The amounts and timing may vary materially based upon various factors. See "Forward-Looking Information" and Risk Factors in this Annual Report on Form 10-K.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

A. Directors of the Registrant

The following table sets forth certain information with respect to our directors as of March 16, 2020:

Name	Age	Principal Position(s)
Robert C. Griffin	72	Chairman and Director
Patrick E. Miller	52	President, Chief Executive Officer and Director
Harold C. Bevis	60	Director
Roger L. Fix	65	Director
Wayne M. Rancourt	57	Director
Janice E. Stipp	60	Director

The following biographies describe the business experience of our directors:

Robert C. Griffin has served as a Director since July 2005, and was elected Chairman in 2019. Mr. Griffin's career spanned over 25 years in the financial sector until he retired from Barclays Capital, where from June 2000 to March 2002 he was Head of Investment Banking, Americas and a member of the Management Committee. Prior to joining Barclays Capital, Mr. Griffin was a member of the Executive Committee for the Montgomery Division of Banc of America Securities and held a number of positions with Bank of America, including Group Executive Vice President and Head of Global Debt Capital Raising and as a Senior Management Council Member. Since 2005, he has served on a number of boards, both public and private, including during the last five years, the boards of the following public companies: The J.G. Wentworth Company (ending in 2018), and Builders FirstSource, Inc. (ending in 2019).

Qualifications: Mr. Griffin has a broad understanding of the financial and investment world. He has over sixteen years of experience in senior and executive management positions with large corporations which included responsibility for determining and executing successful strategies. Mr. Griffin has also served as Chairman of the Board of Directors of another public company, been on numerous committees of each company where he has served as a Director and brings a depth of knowledge about corporate governance from those roles to his service on the Board of Commercial Vehicle Group. Mr. Griffin earned a Master of Business Administration degree from Northwest University and a Bachelor of Science degree in Finance from Miami University.

Patrick E. Miller has served as President and Chief Executive Officer and a Director since November 2015. Mr. Miller, who most recently was President of the Company's Global Truck & Bus Segment, has been with the Company since 2005. During this time, he served in the capacity of Senior Vice President & General Manager of Aftermarket; Senior Vice President of Global Purchasing; Vice President of Global Sales; Vice President & General Manager of North American Truck and Vice President & General Manager of Structures. As of December 2018, Mr. Miller was appointed to the board of directors for Federal Signal Corporation, where he serves as a member of the Audit Committee. Prior to joining the Company, Mr. Miller held engineering, sales, and operational leadership positions with Hayes Lemmerz International, Alcoa, Inc. and ArvinMeritor.

Qualifications: Mr. Miller has broad operational and management experience. He has over 21 years of experience in senior and executive management positions with multi-national corporations including responsibility for determining and executing successful strategies. Prior to becoming President and Chief Executive Officer, Mr. Miller managed many aspects of the Company's operations and commercial activities at a senior level. Mr. Miller holds a Master of Business Administration degree from the Harvard University Graduate School of Business and a Bachelor of Science degree in Industrial Engineering from Purdue University.

Harold C. Bevis has served as a Director since June 2014. He has 25 years of business leadership experience, 21 years of Director experience, including over 15 years as a CEO. He was a business leader at both GE and Emerson Electric. He has led or directed 8 businesses in 6 industries, 150+ operating facilities in 22 countries, 12 new business/new plant startups, 11 acquisitions, 25+ global refinancings, and 24 business/plant expansions. Mr. Bevis has been Chairman and CEO of Boxlight Corporation since January 2020 and has been a Director since March 2018. From October 2017 to February 2019, Mr. Bevis served as President of OmniMax International. From August 2012 to April 2017, Mr. Bevis served as President, Chief Executive Officer and Director of Xerium Technologies, Inc.

Qualifications: Mr. Bevis has broad operational, management and governance experience. He has over 25 years of experience in senior and executive management positions with multi-national corporations including responsibility for determining and executing successful strategies. Mr. Bevis has also served on eight Boards of Directors and on Audit, Compensation and Governance Committees of Boards. Mr. Bevis earned a Master of Business Administration degree from Columbia Business School and a Bachelor of Science degree in Industrial Engineering from Iowa State University.

Roger L. Fix has served as a Director since June 2014. He served as a member of the Board of Directors of Standex International Corporation from 2001 until 2017, when he retired from the Standex board. He served as Non-Executive Chairman from 2014 to 2016, and President and Chief Executive Officer of Standex from 2003 to 2014. He was Standex's President and Chief Operating Officer from 2001 to 2003. Prior to joining Standex, Mr. Fix held a number of general management positions at Emerson Electric, the TI Group, plc and TRW over a period of more than 20 years. Mr. Fix has served as a Director of Flowserve Corporation since 2006 where he was Chairman of the Corporate Nominating and Governance Committee and a member of the Compensation, Finance and Audit Committees. Mr. Fix currently serves as the Non-Executive Chairman of the Board of Flowserve Corporation. Mr. Fix currently serves as a Director of Thermon Holdings, where he serves as a member of the Compensation, Finance and Corporate Governance Committees.

Qualifications: Mr. Fix has broad operational, management and governance experience. He has over 35 years of experience in senior and executive management positions with multi-national corporations which included responsibility for determining and executing successful strategies. Mr. Fix has also served on several public company Boards and on Audit, Compensation, Finance and Governance Committees of Boards. Mr. Fix earned a Master's degree in Mechanical Engineering from the University of Texas and a Bachelor of Science degree in Mechanical Engineering from the University of Nebraska.

Wayne M. Rancourt has served as a Director since July 2016. Mr. Rancourt has served as Executive Vice President, Chief Financial Officer & Treasurer of Boise Cascade Company since August 2009, a $4.4 billion in revenues North American based manufacturing and distribution company. Mr. Rancourt has over 30 years of experience in various finance roles including chief financial officer, treasurer, investor relations, strategic planning, as well as internal audit.

Qualifications: Mr. Rancourt brings strong financial expertise to the Board through his experience in various finance roles. He has over 30 years of experience in senior and executive management positions in the finance field which includes responsibility for determining and executing successful strategies. Mr. Rancourt, in addition to being a member of Audit and Compensation Committees, has also served on the Nominating and Governance Committee of the Company. Mr. Rancourt received a Bachelor of Science degree in Accounting from Central Washington University.

Janice E. Stipp has served as a Director since February 2019. Ms. Stipp has over 36 years of financial and accounting experience including as chief financial officer of both public and private companies. In May 2018, Ms. Stipp retired as Senior Vice President, Chief Financial Officer and Treasurer for Rogers Corporation, a global leader in engineered materials solutions. Prior to joining Rogers Corporation in November 2015, Ms. Stipp was Executive Vice President, Chief Financial Officer and Treasurer for Tecumseh Products Company. She has also previously served as the Chief Financial Officer for Revstone Industries LLC; Acument Global Technologies, Inc., a Platinum Equity portfolio company; and GDX Automotive, a Cerberus Equity portfolio company. Ms. Stipp currently serves as a Director of ArcBest Corporation, SAPPI, and is on the Michigan State University Foundation Board.

Qualifications: Ms. Stipp brings strong financial expertise to the Board through her experience in various finance and accounting roles at both public and private companies. She has over 36 years of experience in senior and executive management positions in finance and accounting fields that included responsibility for determining and executing successful strategies. Ms. Stipp earned a Master of Business Administration degree from Wayne State University and a Bachelor of Arts degree in Accounting from Michigan State University. Ms. Stipp also received her Certified Public Accountant certification and Chartered Global Management Accountant certification.

B. Executive Officers

Information regarding our executive officers is set forth in Item 1 of Part I of this Annual Report on Form 10-K under the heading "Executive Officers of the Registrant."

There are no family relationships between any of our directors or executive officers.

C. Section 16(a) Beneficial Ownership Reporting Compliance and Corporate Governance

The information required by Item 10 with respect to compliance with reporting requirements is incorporated herein by reference to the sections labeled "Section 16(a) Beneficial Ownership Reporting Compliance" and "Proposal No. 1 - Election of Directors - Corporate Governance," which appear in CVG's 2020 Proxy Statement.

Item 11. *Executive Compensation*

The information required by Item 11 is incorporated herein by reference to the sections labeled "Executive Compensation - 2019 Director Compensation Table" and "Executive Compensation" and "Proposal No. 1 - Election of Directors - Corporate Governance," which appear in CVG's 2020 Proxy Statement, including information under the heading "Compensation Discussion and Analysis."

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

There are no outstanding options, warrants or rights associated with the Company's Equity Incentive Plans. The following table summarizes the number of securities remaining to be issued under the outstanding equity compensation plan as of December 31, 2019:

	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
2014 Equity Incentive Plan approved by security holders	—	$ —	2,067,434

The information required by Item 12 is incorporated herein by reference to the section labeled "Security Ownership of Certain Beneficial Owners and Management," which appears in CVG's 2020 Proxy Statement.

Item 13 *Certain Relationships, Related Transactions and Director Independence*

The information required by Item 13 is incorporated herein by reference to the sections labeled "Certain Relationships and Related Transactions" and "Proposal No. 1 - Election of Directors - Corporate Governance," which appear in CVG's 2020 Proxy Statement.

Item 14. *Principal Accountant Fees and Services*

The information required by Item 14 is incorporated herein by reference to the section labeled "Proposal No. 3 - Ratification of Appointment of the Independent Registered Public Accounting Firm," which appears in CVG's 2020 Proxy Statement.

PART IV

Item 15. ***Exhibits, Financial Statements Schedules***

(1) LIST OF FINANCIAL STATEMENT SCHEDULES

The following financial statement schedule of the Corporation and its subsidiaries is included herein:

Schedule II - Valuation and Qualifying Accounts and Reserves.

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

SCHEDULE II: VALUATION AND QUALIFYING ACCOUNTS
December 31, 2019, 2018 and 2017

Accounts Receivable Allowances:

Activity for the years ended December 31 is as follows (in thousands):

	2019	2018	2017
Balance - Beginning of the year	$ 5,139	$ 5,242	$ 3,881
Provisions	6,861	7,327	5,488
Utilizations	(7,357)	(7,392)	(4,264)
Currency translation adjustment	(9)	(38)	137
Balance - End of the year	$ 4,634	$ 5,139	$ 5,242

Income Tax Valuation Allowance:

Activity for the years ended December 31 is as follows (in thousands):

	2019	2018	2017
Balance - Beginning of the year	14,665	$ 15,021	$ 12,546
Provisions	706	874	2,506
Utilizations	(3,379)	(1,230)	(31)
Balance - End of the year	11,992	$ 14,665	$ 15,021

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

(2) LIST OF EXHIBITS

The following exhibits are either included in this report or incorporated herein by reference as indicated below:

EXHIBIT INDEX

Exhibit No.	Description
2.1**	Asset Purchase Agreement, dated as of January 28, 2011, by and among CVG Alabama LLC and Bostrom Seating, Inc., (incorporated by reference to the Company's annual report on Form 10-K (File No. 000-34365), filed on March 15, 2011).
3.1	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to the Company's quarterly report on Form 10-Q (File No. 000-50890), filed on September 17, 2004).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company, dated as of May 12, 2011 (incorporated by reference to the Company's current report on Form 8-K (File No. 001-34365), filed on May 13, 2011).
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company, dated as of May 15, 2015 (incorporated by reference to the Company's current report on Form 8-K (File No. 001-34365), filed on May 15, 2015).
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company, dated as of May 17, 2018 (incorporated by reference to the Company's current report on Form 8-K (File No. 001-34365), filed on May 18, 2018).
3.5	Amended and Restated By-laws of the Company (incorporated by reference to the Company's quarterly report on Form 10-Q (File No. 000-50890), filed on September 17, 2004).
3.6	Certificate of Designations of Series A Preferred Stock (included as Exhibit A to the Rights Agreement incorporated by reference to Exhibit 4.8) (incorporated by reference to the Company's current report on Form 8-K (File No. 000-50890), filed on May 22, 2009.
4.1	Registration Rights Agreement, dated July 6, 2005, among the Company, the subsidiary guarantors party thereto and the purchasers named therein (incorporated herein by reference to the Company's current report on Form 8-K (File No. 000-50890), filed on July 8, 2005).
4.2	Commercial Vehicle Group, Inc. Rights Agreement, dated as of May 21, 2009, by and between the Company and Computershare Trust Company, N.A. (incorporated by reference to the Company's current report on Form 8-K (File No. 000-50890), filed on May 22, 2009).
4.3	Form of Rights Certificate (included as Exhibit B to the Rights Agreement) (incorporated by reference to the Company's current report on Form 8-K (File No. 000-50890), filed on May 22, 2009).
4.4	Form of Summary of Rights to Purchase (included as Exhibit C to the Rights Agreement) (incorporated by reference to the Company's current report on Form 8-K (File No. 000-50890), filed on May 22, 2009).
4.5	Commercial Vehicle Group, Inc. Amendment No. 1 to Rights Agreement, dated as of March 9, 2011, by and between the Company and Computershare Trust Company, N.A. (incorporated by reference to the Company's current report on Form 8-K (File No. 001-34365), filed on March 9, 2011).
4.6	Form of Certificate of Common Stock of the Company (incorporated by reference to the Company's registration statement on Form S-1/A (File No. 333-115708), filed August 3, 2004).
4.7	Amended and Restated Loan and Security Agreement, dated as of April 26, 2011, by and among the Company, certain of the Company's subsidiaries, as borrowers, and Bank of America, N.A. as agent and lender (incorporated by reference to the Company's current report on Form 8-K (File No. 001-34365), filed on April 28, 2011.
4.8	Second Amended and Restated Loan and Security Agreement, dated as of November 15, 2013, by and among the Company, certain of the Company's subsidiaries, as borrowers, and Bank of America, N.A. as agent and lender, (incorporated by reference to the Company's current report on Form 8-K (File No. 001-34365), filed on November 21, 2013).
4.9	Third Amended and Restated Loan and Security Agreement, dated as of April 12, 2017, by and among the Company, certain of the Company's subsidiaries, as borrowers, and Bank of America, N.A. as agent and other lender parties thereto (incorporated by reference to the Company's current report on Form 8-K (File No. 001-34365), filed on April 13, 2017).
4.10	Term Loan Agreement, dated as of April 12, 2017, by and among the Company, Bank of America, N.A., as administrative agent, and other lender parties thereto (incorporated by reference to the Company's current report on Form 8-K (File No. 001-34365), filed on April 13, 2017).
4.11	Description of Securities.

Exhibit No.	Description
10.1*	Commercial Vehicle Group, Inc. Fourth Amended and Restated Equity Incentive Plan (incorporated by reference to the Company’s current report on Form 8-K (File No. 001-34365), filed on May 13, 2011).
10.2*	Commercial Vehicle Group, Inc. 2014 Equity Incentive Plan (incorporated by reference from the Company proxy statement on Form Schedule 14A (File No. 001-34365), filed on April 11, 2014).
10.3*	Amended and Restated Commercial Vehicle Group, Inc. 2014 Equity Incentive Plan (incorporated by reference from the Company's current report on Form 8-K (File No. 001-34365), filed on May 17, 2017).
10.4*	Commercial Vehicle Group, Inc. 2017 Annual Incentive Plan (incorporated by reference from the Company current report on Form 10-Q (File No. 001-34365), filed on May 5, 2017).
10.5*	Commercial Vehicle Group, Inc. Annual Incentive Plan (incorporated by reference to the Company’s current report on Form 8-K (File No. 001-34365), filed on March 14, 2018).
10.6	Registration Agreement, dated October 5, 2000, by and among Bostrom Holding, Inc. and the investors listed on Schedule A attached thereto (incorporated by reference to the Company’s registration statement on Form S-1 (File No. 333-115708), filed on May 21, 2004).
10.7	Joinder to the Registration Agreement, dated as of May 20, 2004, by and among Commercial Vehicle Group, Inc. and the prior stockholders of Trim Systems (incorporated by reference to the Company’s quarterly report on Form 10-Q (File No. 000-50890), filed on September 17, 2004).
10.8	Assignment and Assumption Agreement, dated as of June 1, 2004, between Mayflower Vehicle Systems PLC and Mayflower Vehicle Systems, Inc. (incorporated by reference to the Company’s registration statement on Form S-1 (File No. 333-125626), filed on June 8, 2005).
10.9*	Form of Cash Performance Award pursuant to the Commercial Vehicle Group, Inc. Fourth Amended and Restated Equity Incentive Plan (incorporated by reference to the Company’s Annual Report on Form 10-K (File No. 001-34365), filed on March 11, 2013).
10.10*	Form of Restricted Stock Agreement pursuant to the Commercial Vehicle Group, Inc. 2014 Equity Incentive Plan (incorporated by reference from the Company quarterly report on Form 10-Q (File No. 001-34365), filed on November 7, 2014).
10.11*	Offer letter, dated September 27, 2013, to C. Timothy Trenary (incorporated by reference to the Company’s current report on Form 8-K (File No. 001-34365), filed on September 30, 2013).
10.12*	Change in Control & Non-Competition Agreement dated January 23, 2014 with C. Timothy Trenary (incorporated by reference to the Company’s current report on Form 8-K (File No. 001-34365), filed on January 24, 2014).
10.13*	Amended and Restated Deferred Compensation Plan dated November 5, 2008 (incorporated by reference to the Company’s annual report on Form 10-K (File No. 000-50890), filed on March 16, 2009).
10.14*	Form of indemnification agreement with directors and executive officers (incorporated by reference to the Company’s annual report on Form 10-K (File No. 000-50890), filed on March 14, 2008).
10.15*	Change in Control & Non-Competition Agreement dated October 24, 2014 with Patrick Miller (incorporated by reference to the Company’s current report on Form 8-K (File No. 001-34365), filed on October 28, 2014).
10.16*	Employment Agreement, dated as of March 22, 2016, between the Company and Patrick E. Miller (incorporated by reference to the company’s current report on form 8-K (File No. 001-34365), filed on March 24, 2016).
10.17*	Change in Control & Non-Competition Agreement dated October 24, 2014 with Stacie Fleming (incorporated by reference to the Company’s current report on Form 8-K (File No. 001-34365), filed on October 28, 2014).
10.18*	Change in Control & Non-Competition Agreement dated February 1, 2016 with Dale McKillop (incorporated by reference to the Company's Annual Report on Form 10-K (File No. 001-34365), filed on March 12, 2018).
10.19*	Retention Bonus Agreement between the Company and Mr. Trenary effective March 22, 2016 (incorporated by reference to the Company’s quarterly report on Form 10-Q (File No. 001-34365), filed on August 3, 2016).
10.20*	Offer letter, dated May 25, 2017, to Douglas Bowen.
10.21*	Change in Control & Non-Competition Agreement dated November 7, 2017 with Douglas Bowen.

Exhibit No.	Description
21.1	Subsidiaries of Commercial Vehicle Group, Inc.
23.1	Consent of KPMG LLP.
31.1	302 Certification by Patrick E. Miller, President and Chief Executive Officer.
31.2	302 Certification by C. Timothy Trenary, Executive Vice President and Chief Financial Officer.
32.1	906 Certification by Patrick E. Miller pursuant to 18 U.S.C. Section 1350, as adopted pursuant to the Sarbanes-Oxley Act of 2002.
32.2	906 Certification by C. Timothy Trenary pursuant to 18 U.S.C. Section 1350, as adopted pursuant to the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Schema Document
101.CAL	XBRL Calculation Linkbase Document
101.LAB	XBRL Label Linkbase Document
101.PRE	XBRL Presentation Linkbase Document
101.DEF	XBRL Definition Linkbase Document

* Management contract or compensatory plan or arrangement required to be filed as an exhibit to this annual report on Form 10-K.

** The schedules and exhibits to the Asset Purchase Agreement have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S—K. The Company will furnish supplementally a copy of any such omitted schedules or exhibits to the SEC upon request.

All other items included in an Annual Report on Form 10-K are omitted because they are not applicable or the answers thereto are none.

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMMERCIAL VEHICLE GROUP, INC.

By: /s/ Patrick E. Miller
Patrick E. Miller
President and Chief Executive Officer

Date: March 16, 2020

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 16, 2020.

Signature	Title
/s/ Robert C. Griffin Robert C. Griffin	Chairman and Director
/s/ Patrick E. Miller Patrick E. Miller	President, Chief Executive Officer (Principal Executive Officer) and Director
/s/ Harold C. Bevis Harold C. Bevis	Director
/s/ Roger L. Fix Roger L. Fix	Director
/s/ Wayne M. Rancourt Wayne M. Rancourt	Director
/s/ Janice E. Stipp Janice E. Stipp	Director
/s/ C. Timothy Trenary C. Timothy Trenary	Chief Financial Officer (Principal Financial Officer)
/s/ Stacie N. Fleming Stacie N. Fleming	Chief Accounting Officer (Principal Accounting Officer)

Exhibit 4.11

DESCRIPTION OF SECURITIES

Description of Capital Stock

General

The following is a summary of information concerning capital stock of Commercial Vehicle Group, Inc. The summary and descriptions below do not purport to be complete and are subject to, and qualified in their entirety by, our certificate of incorporation (the "**Charter**") and Code of Regulations ("**By-laws**") and by provisions of applicable law.

Common Stock

Shares Outstanding. The Company is authorized to issue up to 60,000,000 shares of common stock, par value $0.01 per share (the "**Common Stock**").

Dividend Rights. Subject to preferences that may apply to shares of Preferred Stock (defined below) outstanding at the time, holders of outstanding shares of Common Stock are entitled to receive dividends out of assets legally available at the times and in the amounts as the board of directors may from time to time determine.

Voting Rights. Each outstanding share of Common Stock is entitled to one vote on all matters submitted to a vote of stockholders. Holders of shares of Common Stock do not have cumulative voting rights.

Preemptive or Similar Rights. Our Common Stock is not entitled to preemptive or other similar subscription rights to purchase any of our securities.

Conversion Rights. Our Common Stock is not convertible.

Right to Receive Liquidation Distributions. Upon our liquidation, dissolution or winding up, the holders of our Common Stock are entitled to receive pro rata our assets which are legally available for distribution, after payment of all debts and other liabilities and subject to the prior rights of any holders of Preferred Stock then outstanding.

Nasdaq Listing. Our Common Stock is listed on The Nasdaq Global Select Market under the symbol "CVGI."

Fully Paid. The issued and outstanding shares of Common Stock are fully paid and non-assessable. This means the full purchase price for the outstanding shares of Common Stock has been paid and the holders of such shares will not be assessed any additional amounts for such shares. Any additional shares of Common Stock that the Company may issue in the future will also be fully paid and non-assessable.

Preferred Stock

The Company is authorized to issue up to 5,000,000 shares of Preferred Stock, par value $0.01 per share (the "**Preferred Stock**"). The Company's board of directors may, without further action by the Company's stockholders, from time to time, direct the issuance of shares of Preferred Stock in series and may, at the time of issuance, determine the rights, preferences and limitations of each series.

Anti-Takeover Effects of our Charter and By-laws

Our Charter and By-laws contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and which may have the effect of delaying, deferring or preventing a future takeover or change in control of the Company unless such takeover or change in control is approved by the board of directors.

These provisions are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of the Company to first negotiate with the board of directors. The Company believes that the benefits of increased protection give it the potential ability to negotiate with the proponent

of an unfriendly or unsolicited proposal to acquire or restructure us and outweigh the disadvantages of discouraging those proposals because negotiation of them would result in an improvement of their terms.

These provisions include:

Action by Written Consent; Special Meetings of Stockholders. Our Charter provides that stockholder action can be taken only at an annual or special meeting of stockholders and cannot be taken by written consent in lieu of a meeting. Our Charter and the By-laws provide that, except as otherwise required by law, special meetings of the stockholders can only be called by the chairman of the board, or pursuant to a resolution adopted by a majority of the board of directors. Stockholders are not permitted to call a special meeting or to require the board of directors to call a special meeting.

Advance Notice Procedures. Our By-laws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the board of directors. Stockholders at an annual meeting are only able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the board of directors or by a stockholder (i) who was a stockholder of record on the record date for the meeting, (ii) who is entitled to vote at the meeting, and (iii) who has given our Secretary timely written notice, in proper form, of the stockholder's intention to bring that business before the meeting. Although the By-laws do not give the board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, the By-laws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the Company.

Super Majority Approval Requirements. The Delaware General Corporation Law provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or by-laws, unless either a corporation's certificate of incorporation or by-laws require a greater percentage. Our Charter and By-laws provide that the affirmative vote of holders of at least 66 2/3% of the total votes eligible to be cast in the election of directors will be required to amend, alter, change or repeal specified provisions. This requirement of a super-majority vote to approve amendments to our Charter and By-laws could enable a minority of our stockholders to exercise veto power over any such amendments.

Authorized but Unissued Shares. Our authorized but unissued shares of Common Stock and Preferred Stock are available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including public offerings to raise additional capital, corporate acquisitions, and employee benefit plans. The existence of authorized but unissued shares of Common Stock and Preferred Stock could render more difficult or discourage an attempt to obtain control of a majority of our Common Stock by means of a proxy contest, tender offer, merger or otherwise.

Anti-takeover Effects of Delaware Law

The Company is subject to Section 203 of the Delaware General Corporation Law ("**Section 203**"), an anti-takeover law. Section 203 provides that, subject to exceptions specified therein, an "interested stockholder" of a Delaware corporation shall not engage in any "business combination," including but not limited to general mergers or consolidations or acquisitions of additional shares of the corporation, with the corporation for a three-year period following the time that such stockholder becomes an interested stockholder unless:

- prior to such time, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

- upon consummation of the transaction which resulted in the stockholder becoming an "interested stockholder," the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding specified shares); or

- on or subsequent to such time, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock not owned by the interested stockholder.

Under Section 203, the restrictions described above also do not apply to specified business combinations proposed by an interested stockholder following the announcement or notification of one of the specified transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of the corporation's directors, if such transaction is approved or not opposed by a majority of the directors who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

Except as otherwise specified in Section 203, an "interested stockholder" is defined to include:

- any person that is the owner of 15% or more of the outstanding voting stock of the corporation, or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock of the corporation at any time within three years immediately prior to the date of determination; and

- the affiliates and associates of any such person.

Under some circumstances, Section 203 makes it more difficult for a person who is an interested stockholder to effect various business combinations with a corporation for a three-year period. We have not elected to be exempt from the restrictions imposed under Section 203.

Transfer Agent and Registrar
Computershare Trust Company has been appointed as the transfer agent and registrar for our Common Stock.

Exhibit 10.20

May 25, 2017

Mr. Douglas Bowen

Subject: Commercial Vehicle Group Employment Offer

Dear Doug:

On behalf of Pat Miller, I am pleased to extend the following offer of employment with Commercial Vehicle Group, Inc. (The "Company").

Job Title Senior Vice President and Managing Director – Global Construction, Agriculture & Military Markets.

Start Date Monday, June 12, 2017.

Reports To Patrick Miller, President and Chief Executive Officer.

Salary $265,000 if annualized, payable bi-weekly in accordance with the Company's standard payroll processes.

Relocation To support your relocation to the central Ohio market, the Company will arrange for up to 90 days of furnished temporary housing in the Columbus area.

Additionally, you will be eligible for a one time, taxable, relocation bonus of $35,000 to offset out-of-pocket expenses associated with your move. This taxable bonus will be paid in the first regularly scheduled payroll following 30 days of employment, and is subject to recovery if you resign or are terminated for cause within 12 months of the payment date. The amount recoverable will be equal to 1/12th of the relocation bonus for each full month left in the repayment period at the time of separation.

Signing Incentive As soon as administratively feasible following 30 days of employment, you will be granted a restricted stock award valued at $50,000, pursuant to the terms of the Company's Equity Incentive Plan. One third of these shares will vest on October 20, 2017 and the balance will vest ratably on October 20, 2018 and October 20, 2019. The terms and conditions of the award shall be governed in all respects by the definitive documentation related to the grant of such award.

Annual Bonus You will be eligible for an annual discretionary award targeted at 50% of your base compensation, pro-rated for 2017 based on your start date.

Our Annual Incentive Plan ("AIP") measures for 2017 are exclusively financial in nature and are tied to corporate and divisional Net Sales, Operating Profit Margin and Return on Average Invested Capital. Payouts range from 0% - 200% of target, based on actual performance against plan.

For the 2017 plan year only, the Company will guarantee a minimum, pro-rated AIP payout at target.

Long Term Incentives You will be eligible to receive equity and other long-term incentive awards under any applicable plan adopted by the Company during your employment term for which similarly situated employees are generally eligible. The level of participation in any such plan shall be determined at the sole discretion of the Board from time to time, but will be no less than 50% of your base salary for 2017.

Awards under the Plan may be issued in restricted stock and/or restricted cash awards under terms and conditions that are no less favorable than those awards granted to similarly situated officers of the Company.

Vacation Four weeks per calendar year, pro-rated for 2017 at 13.33 hours per month.

Holidays Ten days, in accordance with annual observation calendar, which typically includes New Year's Day, Spring Break (Good Friday), Memorial Day, Independence Day, Labor Day, Thanksgiving (2 days), Christmas Eve, Christmas Day and New Year's Eve.

Group Benefits Hospital/Surgical/Medical, Dental and Vision insurance is available for you and your eligible dependents. Coverage is effective on the first day of the month following your date of hire. A bi-weekly payroll deduction will apply based on the type of coverage you select.

Group life insurance coverage equal to $750,000 is provided at no cost to you and with no medical exam required. This coverage is also effective on the first day of the month following your date of hire.

Short term disability coverage applies after 180 days of employment and provides disability pay at 100% of your base salary for the first two weeks of a qualifying event and up to an additional 24 weeks thereafter at 60% of base salary.

Long term disability coverage takes effect following the exhaustion of your short term disability coverage as a source of long term wage replacement resulting from a covered injury or illness.

All associates over the age of eighteen are eligible for enrollment in our 401(k) Savings Plan on the first day of the month following 30 days of service. New employees are automatically enrolled in the CVG 401(k) Plan, unless they specifically opt out. The Company matches 100% of the first 3% of employee contributions, and 50% of the next 2% of employee contributions. All matching dollars vest immediately under the Plan.

You will also be eligible to enroll in Commercial Vehicle Group's Deferred Compensation Plan, with an annual enrollment window in the fourth quarter of each year.

Details on all of our salaried benefit programs are enclosed with this letter. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time.

Stock Ownership Pursuant to the Company's Stock Ownership Guidelines, Section 16 Officers are expected to own and hold shares of the Company's common stock with a Value (as defined in the Stock Ownership Policy) equal to two times base salary. Covered executives do not have a timeframe to achieve compliance but are unable to trade CVG securities until compliance is achieved, other than the surrender of shares as needed to satisfy tax withholding obligations on vested stock awards.

Conditional This offer is contingent upon you successfully passing a pre-employment background check, reference check, and drug screen.

This offer will remain open through close of business on Tuesday, May 30, 2017. If you have any questions, please contact me directly at 614-289-0253.

On behalf of Pat Miller, and all of us at CVG, we look forward to welcoming you to the organization soon and working with you in this new role. If there is anything I can do to support your transition in the coming weeks, please don't hesitate to ask.

Sincerely,

/s/ Laura L. Macias
Laura L. Macias
Chief Human Resources Officer

Acknowledged and Accepted:

/s/ Douglas Bowen
Douglas Bowen
Acknowledgement and Acceptance Effective Date: May 30, 2017

cc: Patrick Miller
Kathleen Tamayo – Spencer Stuart

CHANGE IN CONTROL &
NON-COMPETITION AGREEMENT

This Agreement is made as of this 7th day of November, 2017, by and between Douglas F. Bowen ("Executive") and Commercial Vehicle Group, Inc., a Delaware corporation with its principal office at 7800 Walton Parkway, New Albany, Ohio 43054, its subsidiaries, successors and assigns (the "Company").

Recitals

A. The Company is engaged in the business of developing, manufacturing, and marketing of interior systems, vision safety solutions and other cab-related related products for the global commercial vehicle market, including the heavy-duty (Class 8) truck market, the construction market and other specialized transportation markets and in connection therewith develops and uses valuable technical and nontechnical trade secrets and other confidential information which it desires to protect.

B. You will continue to be employed as an officer or key employee of the Company.

C. The Company considers your continued services to be in the best interest of the Company and desires, through this Agreement, to assure your continued services on behalf of the Company on an objective and impartial basis and without distraction or conflict of interest in the event of an attempt to obtain control of the Company.

D. You are willing to remain in the employ of the Company on the terms set forth in this agreement.

Agreement

NOW, THEREFORE, the parties agree as follows:

1. **Consideration.** As consideration for your entering into this Agreement and your willingness to remain bound by its terms, the Company shall continue to employ you and provide you with access to certain Confidential Information as defined in this Agreement and other valuable consideration as provided for throughout this Agreement, including in Sections 3 and 4 of this Agreement.

2. **Employment**

   a) **Position.** You will continue to be employed as Senior Vice President and Managing Director of Global Construction, Agriculture & Military, reporting to the President and Chief Executive Officer of the Company. You shall continue to perform the duties, undertake the responsibilities and exercise the authority customarily performed, undertaken and exercised by persons employed in similar executive capacities.

b) **Restricted Employment.** While employed by the Company, you shall devote your best efforts to the business of the Company and shall not engage in any outside employment or consulting work without first securing the approval of the Company's Board of Directors. Furthermore, so long as you are employed under this Agreement, you agree to devote your full time and efforts exclusively on behalf of the Company and to competently, diligently, and effectively discharge your duties hereunder. You shall not be prohibited from engaging in such personal, charitable, or other non-employment activities that do not interfere with your full time employment hereunder and which do not violate the other provisions of this Agreement. You further agree to comply fully with all policies and practices of the Company as are from time to time in effect.

3. Compensation

a) Your compensation will be continued at your current annual base rate ("Basic Salary), payable in accordance with the normal payroll practices of the Company. Your base salary may be increased from time to time by action of the Board of Directors of the Company. You will also be eligible for a cash bonus under a performance bonus plan which is determined annually by the Board of Directors of the Company.

b) You will be entitled to receive equity and other long term incentive awards (including but not limited to stock awards) pursuant to the terms of the Company's Equity Incentive Plan or other plan adopted by the Board of Directors of the Company from time to time. If a "Change in Control," as defined in Section 8(e)(v) shall occur (i) in which the Company does not survive as a result of such Change in Control, or substantially all of the assets of the Company are sold as a result of such Change in Control, and (ii) in which the surviving entity does not assume the obligations of your outstanding stock options upon the Change in Control, then all outstanding stock options and restricted stock issued to you prior to the Change in Control will be immediately vested upon such Change of Control and such options will be exercisable for a period of at least 12 months from the date of the Change in Control, but, in no event, following the expiration date of the term of such stock options.

c) Subject to applicable Company policies, you will be reimbursed for necessary and reasonable business expenses incurred in connection with the performance of your duties hereunder or for prompting, pursuing or otherwise furthering the business or interest of the Company.

4. Fringe Benefits. You will be entitled to receive employee benefits and participate in any employee benefit plans, in accordance with their terms as from time to time amended, that the Company maintains during your employment and which are made generally available to all other executive management employees in like positions. This includes medical and dental insurance, life insurance, disability insurance, supplemental medical insurance and 401(k) plan including all executive benefits as approved by the Board of Directors' Compensation Committee.

5. Confidential Information

a) As used throughout this Agreement, the term "Confidential Information" means any information you acquire during employment by the Company (including information you conceive, discover or develop) which is not readily available to the general public and which relates to the business, including research and development projects, of the Company, its subsidiaries or its affiliated companies.

b) Confidential Information includes, without limitation, information of a technical nature (such as trade secrets, inventions, discoveries, product requirements, designs, software codes and manufacturing methods), matters of a business nature (such as customer lists, the identities of customer contacts, information about customer requirements and preferences, the terms of the Company's contracts with its customers and suppliers, and the Company's costs and prices), personnel information (such as the identities, duties, customer contacts, and skills of the Company's employees) and other financial information relating to the Company and its customers (including credit terms, methods of conducting business, computer systems, computer software, personnel data, and strategic marketing, sales or other business plans.) Confidential Information may or may not be patentable.

c) Confidential Information does not include information which you learned prior to employment with the Company from sources other than the Company, information you develop after employment from sources other than the Company's Confidential Information or information which is readily available to persons with equivalent skills, training and experience in the same fields or fields of endeavor as you. You must presume that all information that is disclosed or made accessible to you during employment by the Company is Confidential Information if you have a reasonable basis to believe the information is Confidential Information or if you have notice that the Company treats the information as Confidential Information.

d) Except in conducting the Company's business, you shall not at any time, either during or following your employment with the Company, make use of, or disclose to any other person or entity, any Confidential Information unless (i) the specific information becomes public from a source other than you or another person or entity that owes a duty of confidentiality to the Company and (ii) twelve months have passed since the specific information became public. However, you may discuss Confidential Information with employees of the Company when necessary to perform your duties to the Company. Notwithstanding the foregoing, if you are ordered by a court of competent jurisdiction to disclose Confidential Information, you will officially advise the Court that you are under a duty of confidentiality to the Company hereunder, take reasonable steps to delay disclosure until the Company may be heard by the Court, give the Company prompt notice of such Court order, and if ordered to disclose such Confidential Information you shall seek to do so under seal or in camera or in such other manner as reasonably designed to restrict the public disclosure and maintain the maximum confidentiality of such Confidential Information.

e) Upon Employment Separation, you shall deliver to the Company all originals, copies, notes, documents, computer data bases, disks, and CDs, or records of any kind that reflect or relate to any Confidential Information. As used herein, the term "notes" means written or printed words, symbols, pictures, numbers or formulae. As used throughout this Agreement, the term "Employment Separation" means the separation from and/or termination of your employment with the Company, regardless of the time, manner or cause of such separation or termination.

6. Inventions.

a) As used throughout this Agreement, the term "Inventions" means any inventions, improvements, designs, plans, discoveries or innovations of a technical or business nature, whether patentable or not, relating in any way to the Company's business or contemplated business if the Invention is conceived or reduced to practice by you during your employment by the Company. Inventions include all data, records, physical embodiments and intellectual property pertaining thereto. Inventions reduced to practice within one year following Employment Separation shall be presumed to have been conceived during employment.

b) Inventions are the Company's exclusive property and shall be promptly disclosed and assigned to the Company without additional compensation of any kind. If requested by the Company, you, your heirs, your executors, your administrators or legal representative will provide any information, documents, testimony or other assistance needed for the Company to acquire, maintain, perfect or exercise any form of legal protection that the Company desires in connection with and Invention.

c) Upon Employment Separation, you shall deliver to the Company all copies of and all notes with respect to all documents or records of any king that relate to any Inventions.

7. Non-competition and Non-solicitation.

a) By entering into this Agreement, you acknowledge that the Confidential Information has been and will be developed and acquired by the Company by means of substantial expense and effort, that the Confidential Information is a valuable asset of the Company's business, that the disclosure of the Confidential Information to any of the Company's competitors would cause substantial and irreparable injury to the Company's business, and that any customers of the Company developed by you or others during your employment are developed on behalf of the Company. You further acknowledge that you have been provided with access to Confidential Information, including Confidential Information concerning the Company's major customers, and its technical, marketing and business plans, disclosure or misuse of which would irreparably injure the Company.

b) In exchange for the consideration specified in Section 1 of this Agreement — the adequacy of which you expressly acknowledge — you agree that during your employment by the Company and for a period of twelve (12) months following Employment Separation, you shall not, directly or indirectly, as an owner, shareholder, officer, employee, manager, consultant, independent contractor, or otherwise:

(i) Attempt to recruit or hire, interfere with or harm, or attempt to interfere with or harm, the relationship of the Company, its subsidiaries or affiliates, with any person who is an employee, customer or supplier of the Company, its subsidiaries or affiliates;

(ii) Contact any employee of the Company for the purpose of discussion or suggesting that such employee resign form employment with the Company for the purpose of becoming employed elsewhere or provide information about individual employees of the Company or personnel policies or procedures of the Company to any person

or entity, including any individual, agency or company engaged in the business of recruiting employees, executives or officer; or

(iii) Own, manage, operate, join control, be employed by, consult with or participate in the ownership, management, operation or control of, or be connected with (as a stockholder, partner, or otherwise), any business, individual, partner, firm, corporation, or other entity that competes or plans to compete, directly or indirectly, with the Company, its products, or any division, subsidiary or affiliate of the Company; provided, however, that your "beneficial ownership," either individually or as a member of a "group" as such terms are used in Rule 13d of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of not more than two percent (2%) of the voting stock of any publicly held corporation, shall not be a violation of this Agreement.

8. Termination of Employment

a) *Termination Upon Death or Disability.* Your employment will terminate automatically upon your death. The Company will be entitled to terminate your employment because of your disability upon 30 days written notice. "Disability" will mean "total disability" as defined in the Company's long term disability plan or any successor thereto. In the event of a termination under this Section, 8 (a), the Company will pay you the earned but unpaid portion of your Basic Salary through the termination date. Additionally, you will be entitled to any Annual Bonus earned with respect to the previous calendar year, but unpaid as of the employment termination date; and a prorated amount of the Annual Bonus for the calendar year in which the termination occurs, calculated by multiplying the Annual Bonus that the Executive would have received for such year had Executive's employment continued through the end of such calendar year by a fraction, the numerator of which is the number of days the Executive was employed during the applicable year and the denominator of which is 365.

b) *Termination by Company for Cause.* An Employment Separation for Cause will occur upon a determination by the Company that "Cause" exists for your termination and the Company serves you written notice of such termination. As used in this Agreement, the term "Cause" shall refer only to any one or more of the following grounds:

(i) Commission of an act of dishonesty involving the Company, its business or property, including, but not limited to, misappropriation of funds or any property of the Company;

(ii) Engagement in activities or conduct clearly injurious to the best interest or reputation of the Company;

(iii) Willful and continued failure substantially to perform your duties under this Agreement (other than as a result of physical or mental illness or injury), after the Board of Directors of the Company delivers to you a written demand for substantial performance that specifically identifies the manner in which the Board believes that you have not substantially performed your duties;

(iv) Illegal conduct or gross misconduct that is willful and results in material and demonstrable damage to the business or reputation of the Company;

(v) The clear and willful violation of any of the material terms and conditions of this Agreement or any other written agreement or agreements you may from time to time have with the Company;

(vi) The clear and willful violation of the Company's code of business conduct or the clear violation of any other rules of behavior as may be provided in any employee handbook which would be grounds for dismissal of any employee of the Company or;

(vii) Commission of a crime which is a felony, a misdemeanor involving an act of moral turpitude, or a misdemeanor committed in connection with your employment by the Company which causes the Company a substantial detriment.

(viii) No act or failure to shall be considered "willful" unless it is done, or omitted to be done, by you in bad faith or without reasonable belief that your action or omission was in the best interests of the Company. Any act or failure to act that is based upon authority given pursuant to a resolution duly adopted by the Board of Directors, or the advice of counsel for the Company, shall be conclusively presumed to be done, or omitted to be done, by you in the good faith and in the best interest of the Company.

(ix) In the event of a termination under this Section 8 (b), the Company will pay you only the earned but unpaid portion of your Basic Salary through the termination date.

(x) Following a termination for Cause by the Company, if you desire to contest such determination, your sole remedy will be to submit the Company's determination of Cause to arbitration in Columbus, Ohio before a single arbitrator under the commercial arbitration rules of the American Arbitration Association. If the arbitrator determines that the termination was other than for Cause, the Company's sole liability to you will be the amount that would be payable to you under Section 8.d) of this Agreement for a termination of your employment by the Company without Cause. Each party will bear his or its own expenses of the arbitration.

c) Termination by You. In the event of an Employment Separation as a result of a termination by your for any reason, you must provide the Company with a least 14 days advance written notice ("Notice of Termination") and continue working for the Company during the 14-day notice period, but only if the Company so desires to continue your employment and to compensate you during such period.

In the event of such termination under this Section, the Company will pay you the earned but unpaid portion of your Basic Salary through the termination date.

d) *Termination by Company Without Cause*. In the event of an Employment Separation as a result of termination by the Company without Cause, the Company will pay you the earned but unpaid

portion of your Basic Salary through the termination date and will continue to pay you your Basic Salary in accordance with the Company's payroll practices in effect at the time of the Employment Separation for an additional twelve (12) months (the "Severance Period"); provided, however, any such payments will immediately end if (i) you are in violation of any of your obligations under this Agreement, including Sections 5, 6 or 7 ; or (ii) the Company, after your termination, learns of any facts about your job performance or conduct that would have given the Company Cause, as defined in Section 8.b), to terminate your employment. Additionally, you will be entitled to any Annual Bonus earned with respect to the previous calendar year, but unpaid as of the employment termination date; and a prorated amount of the Annual Bonus for the calendar year in which the termination occurs, calculated by multiplying the Annual Bonus that the Executive would have received for such year had Executive's employment continued through the end of such calendar year by a fraction, the numerator of which is the number of days the Executive was employed during the applicable year and the denominator of which is 365.

e) Termination Following Change of Control. If a "Change in Control" as defined in Section 8 (e) (v), shall have occurred and within 13 months following such Change in Control the Company terminates your employment other than for Cause, as defined in Section 8 (b), or you terminate your employment for Good Reason, as that term is defined in Section 8(e) (vi), then you shall be entitled to the benefits described below:

(i) You shall be entitled to the unpaid portion Basic Salary plus credit for any vacation accrued but not taken and the amount of any earned but unpaid portion of any bonus, incentive compensation, or any other Fringe Benefit to which you are entitled under this Agreement through the date of the termination as a result of a Change in Control (the "Unpaid Earned Compensation"), plus 1.0 times your "Current Annual Compensation" as defined in this Section 8e (i) (the "Salary Termination Benefit"). "Current Annual Compensation" shall mean the total of your Basic Salary in effect at the Termination Date, plus the average annual performance bonus actually received by you over the last three years fiscal years (or if you have been employed for a shorter period of time over such period during which you performed services for the Company) plus any medical, financial and insurance coverage provided presently under your current annual compensation plan, and shall not include the value of any stock options granted or exercised, restricted stock awards granted or vested, contributions to 401 (k) or other qualified plans."

(ii) Immediate vesting of all outstanding stock options and restricted stock awards issued to you, and thereafter shall be exercisable for a period of at least 12 months after the Termination Date but, in no event following the expiration date of eh term of such options.

(iii) The Company shall maintain for your benefit (or at your election make COBRA payments for your benefit), until the earlier of (A) 12 months after termination of employment following a Change in Control, or (B) your commencement of full-time employment with a new employer with comparable benefits, all life insurance, medical, health and accident, and disability plans or programs, such plans or programs to be maintained at the then current standards of the Company, in which you shall have been entitled to participate prior to termination of employment

following a Change in Control, provided your continued participation is permitted under the general terms of such plans and programs after the Change in Control ("Fringe Termination Benefit"); (collectively the Salary Termination Benefit and the Fringe Termination Benefit are referred to as the "Termination Benefits").

(iv) The Unpaid Earned Compensation shall be paid to you within 15 days after termination of employment, one-half of the Salary Termination Benefit shall be payable to you as severance pay in a lump sum payment within 30 days after termination of employment, and one-half of the Salary Termination Benefit shall be payable to you as severance pay in equal monthly payments commencing 30 days after termination of employment and ending on the date that is the earlier of two and one-half months after the end of the Company's fiscal year in which termination occurred or your death; provided, however, the Company may immediately discontinue the payment of the Termination Benefits if (i) you are in violation of any of your obligations under this Agreement, including in Sections 5, 6 or 7; and/or (ii) the Company, after your termination, learns of any facts about your job performance or conduct that would have given the Company Cause as defined in Section 8 (b) to terminate your employment. You shall have no duty to mitigate your damages by seeking other employment, and the Company shall not be entitled to set off against amounts payable hereunder any compensation which you may receive from future employment. To the extent necessary, the parties hereto agree to negotiate in good faith should any amendment to this Agreement required in order to comply with Section 409A of the Code, provided, however, no amendment shall be effected after the occurrence of a Change in Control.

(v) A "Change in Control" shall be deemed to have occurred if and when, after the date hereof, (i) any "person" (as that term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") on the date hereof), including any "group" as such term is used in Section 13(d)(3) of the Exchange Act on the date hereof, shall acquire (or disclose the previous acquisition of) beneficial ownership (as that term is defined in Section 13(d) of the Exchange Act and the rules thereunder on the date hereof) of shares of the outstanding stock of any class or classes of the Company which results in such person or group possessing more than 50% of the total voting power of the Company's outstanding voting securities ordinarily having the right to vote for the election of directors of the Company; or (ii) as the result of, or in connection with, any tender or exchange offer, merger or other business combination, or contested election, or any combination of the foregoing transactions (a "Transaction"), the owners of the voting shares of the Company outstanding immediately prior to such Transaction own less than a majority of the voting shares of the Company after the Transaction; or (iii) during any period of two consecutive years during the term of this Agreement, individuals who at the beginning of such period constitute the Board of Directors of the Company (or who take office following the approval of a majority of the directors then in office who were directors at the beginning of the period) cease for any reason to constitute at least one-half thereof, unless the election of each director who was not a director at the beginning of such period has been approved in advance by directors of the Company representing at least one-half of the directors then in

office who were directors at the beginning of the period; or (iv) the sale, exchange, transfer, or other disposition of all or substantially all of the assets of the Company (a “Sale Transaction”) shall have occurred. Notwithstanding the foregoing, an event shall not be treated as a “Change in Control” hereunder unless such event also constitutes a change in the ownership of a substantial portion of the assets of a corporation pursuant to the Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and the treasury regulations and other official guidance promulgated thereunder (collectively, “Code Section 409A”).

(vi) As used in this Agreement, the term “Good Reason” means without your written consent:

(A) a material change in our status, position or responsibilities which, in your reasonable judgment, does not represent a promotion from your existing status, position or responsibilities as in effect immediately prior to the Change in Control; the assignment of any duties or responsibilities or the removal or termination of duties or responsibilities (except in connection with the termination of employment for total and permanent disability, death, or Cause, or by you other than for Good Reason), which, in your reasonable judgment, are materially inconsistent with such status, position or responsibilities;

(B) a reduction by the Company in your Basic Salary as in effect on the date hereof or as the same may be increased from time to time during the term of this Agreement or the Company’s failure to increase (within twelve months of your last increase in Basic Salary) your Basic Salary after a Change in Control in an amount which at least equals, on a percentage basis, the average percentage increase in Basic Salary for all executive and senior officers of the Company, in like position, which were effected in the preceding twelve months;

(C) the relocation of the Company’s principal executive office to a location outside the greater Columbus metropolitan area or the relocation of you by the Company to any place other than the location at which you performed duties prior to a Change in Control, except for required travel on the Company’s business to an extent consistent with business travel obligations at the time of a Change in Control;

(D) the failure of the Company to continue in effect, or continue or materially reduce your participation in, any incentive, bonus or other compensation plan in which you participate, including but not limited to the Company’s stock option plans, unless an equitable arrangement (embodied in ongoing substitute or alternative plan), has been made or offered with respect to such plan in connection with the Change in Control;

(E) the failure by the company to continue to provide you with benefits substantially similar to those enjoyed or to which you are entitled under any of the Company's deferred compensation, pension, profit sharing, life insurance, medical, dental, health and accident, or disability plans at the time of a Change in Control, the taking of any action by the Company which would directly or indirectly materially reduce any of such benefits or deprive you of any material fringe benefit enjoyed or to which you are entitled at the time of the Change in Control, or the failure by the Company to provide the number of paid vacation and sick leave days to which you are entitled on the basis of years of service with the Company in accordance with the Company's normal vacation policy in effect on the date hereof;

(F) the failure of the Company to obtain a satisfactory agreement from any successor or assign of the Company to assume and agree to perform this Agreement;

(G) any request by the Company that you participate in an unlawful act or take any action constituting a breach of your professional standard of conduct; or

(H) any breach of the Agreement on the part of the Company, Notwithstanding anything in this Section to the contrary, your right to terminate your employment pursuant to this Section shall not be affected by incapacity due to physical or mental illness.

(vii) Upon any termination or expiration of the Agreement or any cessation of your employment hereunder, the Company shall have no further obligations under this Agreement and no further payments shall be payable by the Company to you, except as provided in Section 8 above and except as required under any benefit plans or arrangements maintained by the Company and applicable to you at the time of such termination, expiration or cessation of your employment.

(viii) Enforcement of Agreement. The Company is aware that upon the occurrence of a Change in Control, the Board of Directors or a shareholder of the Company may then cause or attempt to cause the Company to refuse to comply with its obligations under this Agreement, or may cause or attempt to cause the Company to institute, or may institute litigation seeking to have this Agreement declared unenforceable, or may take or attempt to take other action to deny you the benefits intended under this Agreement. In these circumstances, the purpose of this Agreement could be frustrated. Accordingly, if following a Change in Control it should appear to you that the Company has failed to comply with any of its obligations under Section 8 of this Agreement or in the event that the Company or any other person takes any action to declare Section 8 of this Agreement void or enforceable , or institutes any litigation or other legal action designed to deny, diminish or to recover from you the benefits entitled to be provided to you under Section 8, and that you have complied with all your obligations under this Agreement, the Company authorizes

you to retain counsel of your choice, at the expense of the Company as provided in this Section 8(e)(viii), to represent you in connection with the initiation or defense of any pre-suit settlement negotiations, litigation or other legal action, whether such action is by or against the Company or any Director, officer, shareholder, or other person affiliated with the Company, in any jurisdiction. Notwithstanding any existing or prior attorney-client relationship between the Company and such counsel, the Company consents to you entering into an attorney-client relationship with such counsel, and in that connection the Company and you agree that a confidential relationship shall exist between you and such counsel, except with respect to any fee and expense invoices generated by such counsel. The reasonable fees and expenses of counsel selected by you as hereinabove provided shall be paid or reimbursed to you by the Company on a regular, periodic basis upon presentation by you of a statement or statements prepared by such counsel in accordance with its customary practices, up to a maximum aggregate amount of $50,000. Any legal expenses incurred by the Company by reason of any dispute between the parties as to enforceability of Section 8 or the terms contained in Section 8 (f) notwithstanding the outcome of any such dispute, shall be the sole responsibility of the Company, and the Company shall not take any action to seek reimbursement from you for such expenses.

f) The non-competition periods described in Section 7 of this Agreement shall be suspended while you engage in any activities in breach of this Agreement. In the event that a court grants injunctive relief to the Company for your failure to comply with Section 7, the noncompetition period shall begin again on the date such injunctive relief is granted.

g) Nothing contained in this Section 8 shall be construed as limiting your obligations under Sections 5, 6 or 7 of this Agreement concerning Confidential Information, Inventions, or Non-competition and Non-solicitation.

9. Remedies; Venue; Process.

a) You hereby acknowledge and agree that the Confidential Information disclosed to you prior to and during the term of this Agreement is of a special, unique and extraordinary character, and that any breach of this Agreement will cause the Company irreparable injury and damage, and consequently the Company shall be entitled, in addition to all other legal and equitable remedies available to it, to injunctive and any other equitable relief to prevent or cease a breach of Sections 5, 6 or 7 of this Agreement without further proof of harm and entitlement; that the terms of this Agreement, if enforced by the Company, will not unduly impair your ability to earn a living or pursue your vocation; and further, that the Company may cease paying any compensation and benefits under Section 8 if you fail to comply with this Agreement, without restricting the Company from other legal and equitable remedies. The parties agree that the prevailing party in litigation concerning a breach of this Agreement shall be entitled to all costs and expenses (including reasonable legal fees and expenses) which it incurs in successfully enforcing this Agreement and in prosecuting or defending any litigation (including appellate proceedings) concerning a breach of this Agreement.

b) Except for actions brought under Section 8 (b) of this Agreement, the parties agree that jurisdiction and venue in any action brought pursuant to this Agreement to enforce its terms or otherwise with

respect to the relationships between the parties shall properly lie in either the United States District Court for the Southern District of Ohio, Eastern Division, Columbus, Ohio, or the Court of Common Pleas of Franklin County, Ohio. Such jurisdiction and venue is exclusive, except that the Company may bring suit in any jurisdiction and venue where jurisdiction and venue would otherwise be proper if you may have breached Sections 5, 6 or 7 of this Agreement. The parties further agree that the mailing by certified or registered mail, return receipt requested, of any process required by any such court shall constitute valid and lawful service of process against them, without the necessity for service by any other means provided by statute or rule of court.

10. Exit Interview. Prior to Employment Separation, you shall attend an exit interview if desired by the Company and shall, in any event, inform the Company at the earliest possible time of the identify of your future employer and of the nature of your future employment.

11. No Waiver. Any failure by the Company to enforce any provision of the Agreement shall not in any way affect the Company's right to enforce such provision or any other provision at a later time.

12. Saving. If any provision of this Agreement is later found to be completely or partially unenforceable, the remaining part of that provision of any other provision of this Agreement shall still be valid and shall not in any way be affected by the finding. Moreover, if any provision is for any reason held to be unreasonably broad as to time, duration, geographical scope, activity or subject, such provision shall be interpreted and enforced by limiting and reducing it to preserve enforceability to the maximum extent permitted by law.

13. No Limitation. You acknowledge that your employment by the Company may be terminated at any time by the Company or by you with or without cause in accordance with the terms of this Agreement. This Agreement is in addition to and not in place of other obligations of trust, confidence and ethical duty imposed on you by law.

14. Governing Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Ohio without reference to its choice of law rules.

15. Final Agreement. This Agreement replaces any existing agreement between you and the Company relating to the same subject matter and may be modified only by an agreement in writing signed by both you and a duly authorized representative of the Company.

16. Further Acknowledgements. YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED A COPY OF THIS AGREEMENT, THAT YOU HAVE READ AND UNDERSTOOD THIS AGREEMENT, THAT YOU UNDERSTAND THIS AGREEMENT AFFECTS YOUR RIGHTS, AND THAT YOU HAVE ENTERED INTO THIS AGREEEMENT VOLUNTARILY.

17. Code of Section 409A Compliance

a) The intent of the parties is that payments and benefits under this Agreement comply with Code Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. To the extent that any provision hereof is modified in order to comply with Code Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to the parties hereto of the applicable provision without violating the provisions of Code Section 409A. In no event whatsoever shall the Company be liable for any additional tax, interest

or penalty that may be imposed on the Executive by Code Section 409A or damages for failing to comply with Code Section 409A.

b) An "Employment Separation: shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following an Employment Separation unless such Employment Separation is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to an Employment Separation or like terms shall mean "separation from service." If the Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment or the provision of any benefit that is considered deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit shall be made or provided at the date which is the earlier of (i) the expiration of the six (6)-month period measured from the date of such "separation from service" of the Executive, and (ii) the date of the Executive's death (the "Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

c) All expenses or other reimbursements under this Agreement shall be made on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by the Executive (provided that if any such reimbursements constitute taxable income to the Executive, such reimbursements shall be paid no later than March 15th of the calendar year following the calendar year in which the expenses to be reimbursed were incurred), and no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect the expenses eligible for reimbursement in any other taxable year.

d) For purpose of Code Section 409A, the Executive's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

e) In no event shall any payment under this Agreement that constitutes "deferred compensation" for purposes of Code Section 409A be offset by any other payment pursuant to this Agreement or otherwise."

Commercial Vehicle Group, Inc.:

By /s/ Laura L. Macias
Laura L. Macias
Chief Human Resources Officer

Executive:

By /s/ Douglas F. Bowen
Douglas F. Bowen
Senior Vice President and Managing Director, GCAM

EXHIBIT 21.1

Subsidiaries of Commercial Vehicle Group, Inc.

	Entity	Jurisdiction
1	C.I.E.B. Kahovec, spol. s r.o.	Czech Republic
2	Cabarrus Plastics, Inc.	North Carolina, United States
3	Comercial Vehicle Group México, S. de R.L. de C.V.	Mexico
4	Commercial Vehicle Group (Thailand) Company Limited	Thailand
5	CVG Alabama, LLC	Delaware, United States
6	CVG AR LLC	Delaware, United States
7	CVG CS LLC	Delaware, United States
8	CVG CVS Holdings, LLC	Delaware, United States
9	CVG European Holdings, LLC	Delaware, United States
10	CVG FSE, LLC	Delaware, United States
11	CVG Global S.à r.l.	Luxembourg
12	CVG International Holdings, Inc.	Barbados
13	CVG International S.à r.l.	Luxembourg
14	CVG Logistics, LLC	Delaware, United States
15	CVG Management Corporation	Delaware, United States
16	CVG Monona Wire, LLC	Iowa, United States
17	CVG Monona, LLC	Delaware, United States
18	CVG National Seating Company, LLC	Delaware, United States
19	CVG Seating (India) Private Limited	India
20	CVG Sprague Devices, LLC	Delaware, United States
21	CVG Ukraine LLC	Ukraine
22	CVG Vehicle Components (Beijing) Co., Ltd.	China
23	CVG Vehicle Components (Shanghai) Co., Ltd.	China
24	CVS Holdings Limited	United Kingdom
25	EMD Servicios, S.A. de C.V.	Mexico
26	KAB Seating Limited	United Kingdom
27	KAB Seating Pty. Ltd.	Australia
28	KAB Seating S.A.	Belgium
29	Mayflower Vehicle Systems, LLC	Delaware, United States
30	Monona (Mexico) Holdings LLC	Illinois, United States
31	MWC de México, S. de R.L. de C.V.	Mexico
32	PEKM Kabeltechnik s.r.o.	Czech Republic
33	T.S. México, S. de R.L. de C.V.	Mexico
34	Trim Systems Operating Corp.	Delaware, United States
35	Trim Systems, Inc.	Delaware, United States

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

The Board of Directors

Commercial Vehicle Group, Inc.:

We consent to the incorporation by reference in the registration statements (333-176020, 333-198312, 333-222081) on Form S-8 and the registration statement (No. 333-163276) on From S-3 of Commercial Vehicle Group, Inc. of our reports dated March 16, 2020, with respect to the consolidated balance sheets of Commercial Vehicle Group, Inc. (the Company) as of December 31, 2019 and 2018, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2019, and the related notes and financial statement schedule II: Valuation and Qualifying Accounts and Reserves (collectively, the "consolidated financial statements"), and the effectiveness of internal control over financial reporting as of December 31, 2019, which reports appear in the December 31, 2019 annual report on Form 10-K of Commercial Vehicle Group, Inc.

Our report dated March 16, 2020 contains an explanatory paragraph that refers to the restatement of the 2018 consolidated financial statements to correct misstatements and an explanatory paragraph that refers to a change in the method of accounting for leases.

Our report dated March 16, 2020 on the effectiveness of internal controls over financial reporting as of December 31, 2019, expresses our opinion that the Company did not maintain effective internal control over financial reporting as of December 31, 2019, because of the effect of material weaknesses related to an ineffective risk management process that resulted in the ineffective design of controls over balance sheet account reconciliations and review of manual journal entries.

/s/ KPMG LLP

Columbus, Ohio

March 16, 2020

Exhibit 31.1

SECTION 302 CEO CERTIFICATION

I, Patrick E. Miller, certify that:

1. I have reviewed this Form 10-K of Commercial Vehicle Group, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer(s) 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 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 an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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 the 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.

March 16, 2020

/s/ Patrick E. Miller

Patrick E. Miller
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

SECTION 302 CFO CERTIFICATION

I, C. Timothy Trenary, certify that:

1. I have reviewed this Form 10-K of Commercial Vehicle Group, Inc.;

2. Based on my knowledge, this 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;

4. The registrant's other certifying officer(s) 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 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 an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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 the 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.

March 16, 2020

/s/ C. Timothy Trenary

C. Timothy Trenary
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Patrick E. Miller, President and CEO of Commercial Vehicle Group, Inc. (the "Company"), certify, pursuant to 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 containing the financial statements of the Company (the "Periodic Report"), which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 16, 2020

/s/ Patrick E. Miller

Patrick E. Miller
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, C. Timothy Trenary, Chief Financial Officer of Commercial Vehicle Group, Inc. (the "Company"), certify, pursuant to 18 U.S.C. Section 1350, that:

(1) the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 containing the financial statements of the Company (the "Periodic Report"), which this statement accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 16, 2020

/s/ C. Timothy Trenary

C. Timothy Trenary
Chief Financial Officer
(Principal Financial Officer)