



Commercial Vehicle Group, Inc. (CVGI)

Look For Sequential Drop In EPS In 3Q:21; View Cost Management And Growth Platforms As Likely Investor Priorities During Conference Call; Maintain \$18 Price Target

	2019	2020	2021E		2022E	
			OLD	NEW	OLD	NEW
Mar.	\$0.33	\$0.02	\$0.27A		\$0.30	
June	0.26	(0.24)	0.33A		0.37	
Sep.	0.25	0.21	0.31		0.40	
Dec.	(0.30)	(0.05)	0.32		0.43	
EPS	\$0.53	(\$0.06)	\$1.24		\$1.50	
P/E			8.3x		6.9x	

Note: NR = Not Rated. Risk Ratings: H = Highly risky; M = Moderately risky.

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E
Rev.(Mil.)	\$747.7	\$839.7	\$825.4	\$662.1	\$755.2	\$897.7	\$901.2	\$717.7	\$1005.9	\$1058.4
GAAP EPS	(\$0.44)	\$0.26	\$0.24	\$0.23	(\$0.06)	\$1.46	\$0.51	(\$1.20)	\$1.06	\$1.50

Description: Commercial Vehicle Group, Inc. (www.cvgroup.com) 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 and construction vehicles. The company also supplies 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. About 75% of annual sales is in North America. The company is based in New Albany, OH.

Release Date	Conference Call	Time (Eastern)	Contact	Co. Guidance	Consensus
November 3	November 3	10:00 AM	833-235-5650 Pwd. 7554569	NA	\$0.30

- **In 3Q:21, we look for sequentially weaker results as higher costs and lower production rates hurt truck-related revenue with some partial offset from ongoing strength in warehouse automation. All in, we estimate EPS of \$0.31 compared to \$0.21 a year ago and \$0.33 in 2Q:21.**
- **We think investors will likely focus on the slope of the recovery in the truck market, the ability to recover rising costs and diversification efforts into new markets (most notably factory automation and electric vehicles).**
- **Notably, earlier this week, CVG announced its intention to terminate its agreement with key customer Volvo (foreign) in 12 months absent any new agreement as CVG focuses on price increases to maintain margins.**
- **CVG is levered. At the end of 2Q:21, net debt stood at \$148.8 million. However, a debt refinancing will save about \$3.1 million per quarter, starting in 3Q:21.**
- **Regarding valuation, given the ongoing transformation of CVG, we opt for a blended multiple based on the future projected profit contributions of the separate businesses. As such, our target multiple of 12x reflects the projected profit contributions from both the machinery and truck markets. Our \$18 price target based on 12x our 2022 EPS estimate of \$1.50.**

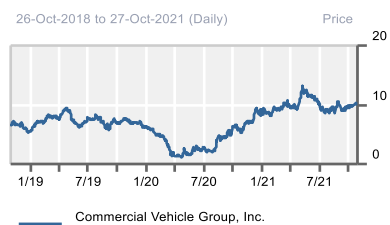
We look for 3Q:21 results to retreat from the recent recovery as higher costs and lower production hurt results. The Electrical Systems Segment (66% of 1H:21 revenue) manufactures electrical wire harnesses, control panels, electro-mechanical and cable assemblies primarily for the truck, construction, agricultural, industrial, mining, rail and military markets. The Global Seating segment (34% of 1H:21 revenue) makes seats for the medium/heavy duty truck, bus, construction, agriculture and military markets. We project that revenue slid sequentially to \$250.7 million (up 33.6% year over year), largely due to a likely

NR
Price Target: \$18
Price: \$10.29
Risk Rating: M

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Key Statistics

Analysts Covering	3
Market Cap (Mil)	\$340
Enterprise Value	\$501
52-Week Range (NASDAQ)	14-5
5-Year EPS CAGR	22%
Avg. Daily Trading Volume	209,000
Shares Out (Mil)	32.977
Float Shares (Mil)	29.172
Insider Ownership	11%
Institutional Holdings	53%
Annualized Dividend	Nil
Dividend Yield	N/A
FCF Per Share (2022E)	\$0.96
FCF Yield (2022E)	9.3%
Net Cash Per Share (2022E)	(\$1.67)
Price to Book Value	2.7x
Return on Equity (2022E)	28.7%
Total Debt to Capital	66%
Interest Coverage Ratio	6.0x
Short Interest %	3.6%
Short Interest Days To Cover	5.2
Russell 2000	2,298
Russell 2000 – Last 12 Months	41.6%
CVGI – Last 12 Months	87.3%



Source: FactSet Prices

sequential drop in the global truck market as supply chain constraints likely limited production rates. This should be partially offset by growth in the Electrical Systems' warehouse automation business. Lower volume and higher costs will likely limit mix benefits from warehouse automation revenue, resulting in a 13.0% gross margin, down from 13.3% in 2Q:21 and 13.4% a year ago, with the operating margin slipping to 6.0% (from 6.4% a year ago. As a result, we estimate EPS of \$0.31 compared to \$0.21 a year ago and \$0.33 in 2Q:21. We maintain our full-year EPS estimates of \$1.24 in 2021 and \$1.50 in 2022.

A recent announcement highlights CVG's commitment to managing costs. Earlier this week, CVG announced that it intends to terminate its agreement with key customer Volvo in 12 months absent any new agreement as CVG focuses on price increases to maintain margins. Volvo accounted for 16% of revenue in 2020. At this point, our model assumes that CVG will continue to supply Volvo over the coming year and in all likelihood will come to a satisfactory new agreement in the upcoming months. However, given the size of the customer, management likely found it prudent to announce the risk to the revenue profile. However, we also argue that this action emphasizes the company's commitment to reasonable returns on its product offerings.

Exhibit 1.

Earnings Comparison				
	3Q:21 Estimate	3Q:20 Actual	Y-O-Y Change	% Change
Revenue (Thousands)	\$250,720	\$187,697	\$63,023	33.6%
Gross Profit	32,594	25,196	7,398	29.4%
Margin	13.0%	13.4%		
Operating Income	15,043	12,044	2,999	24.9%
Margin	6.0%	6.4%		
Pretax Income	12,993	6,370	6,623	104.0%
Margin	5.2%	3.4%		
Tax Rate	23.0%	-2.7%		
Net Income	10,005	6,541	3,464	53.0%
Margin	4.0%	3.5%		
Diluted EPS	\$0.31	\$0.21	\$0.10	47.9%

Source: Company data, Sidoti & Co. estimates

We think the slope of the recovery in the truck market and growth in EV will also be of investor interest. One growth opportunity is producing seats and wire harnessing for the electronic vehicle market. CVGI is involved in product development projects with 25 OEMs on 52 new platforms. Of the \$129 million in new awards business in 1H:21, about 55% was in the EV market. Whereas, within the Electrical Systems segment, there is an attractive opportunity in the growing warehouse automation market. This business provided the company with electro-mechanical assemblies, cable and wire harness assemblies along with chassis integration and cabinet, panel, and rack assemblies. According to management, recent awards suggest that the warehouse automation business is on pace to exceed \$150 million in revenue in 2021. This business has a higher overall contribution margin than the legacy CVGI operations.

The company has refinanced its levered balance sheet. At the end of 2Q:21, CVG had cash of \$41.0 million against total debt of \$184.7 million, for net debt of \$143.8 million (\$17.93). In 2Q:21, company announced a refinancing of debt, subsequently closing on \$275 million in credit (a \$150-million term loan and \$125 million in revolving credit). The company repaid its existing debt for an interest expense saving about \$3.1 million per quarter, first fully realized in 3Q:21. CVGI is running near capacity for many products and has some of its own minor supply chain challenges, while expensing costs for product development (we estimate \$0.15 per share in 2021). As such, our EPS estimates remain \$1.24 and \$1.50 in 2021 and 2022, respectively.

Valuation	We maintain our \$18 price target on CVGI shares. We think the ongoing transformation of CVG merits the utilization of a blended multiple, based on the future projected profit contribution of the businesses, in our valuation. In doing so, we assume that by 2022, 25% of revenue will be in automation and 75% in truck (and related) products. We compare this mix to the S&P small-cap truck, farming and construction and S&P small-cap industrial machinery indices. By 2023, we assume profit growth rates will slow, reflected in contracting forward P/E multiples. Over the last ten years, the median forward P/E on the S&P small-cap truck sector was 20.0x forward one-year EPS and 17.0x forward two-year EPS, with a peak forward multiple of 12x-14x. Similarly, the S&P small-cap machinery index has traded at 20.0x forward one-year EPS and 18.0x forward two-year EPS, with peak forward multiple trading at a wider spread of 10x-14x. Utilizing the midpoints of 13x peak trucking and 12x peak machinery on our projected profit contributions, we derive a blended multiple of 12x. Our \$18 price target is thus based on a constant 12x our 2022 EPS estimate of \$1.50. We have a Moderately Risky rating on CVGI shares to reflect the cyclical nature of the truck market and levered balance sheet.		
Key Risks	Cyclicality of trucking market	Risk in new market penetration	High debt levels

COMMERCIAL VEHICLE GROUP, INC.

Table 1.

Commercial Vehicle Group, Inc. Income Statement (\$ in thousands, except per share data)

	<u>2019</u>	<u>Mar.</u>	<u>June</u>	<u>Sep.</u>	<u>Dec.</u>	<u>2020</u>	<u>Mar.A</u>	<u>June A</u>	<u>Sep.</u>	<u>Dec.</u>	<u>2021E</u>	<u>Mar.</u>	<u>June</u>	<u>Sep.</u>	<u>Dec.</u>	<u>2022E</u>
Electrical Systems	\$522,484	\$111,167	\$73,498	\$120,723	\$137,975	\$443,363	\$159,687	\$174,104	\$169,012	\$171,109	\$673,912	\$169,268	\$188,032	\$189,294	\$181,230	\$727,825
Global Seating	\$378,754	\$75,938	\$53,398	\$66,974	\$78,026	\$274,336	\$85,435	\$83,837	\$81,708	\$80,966	\$331,947	\$82,957	\$81,238	\$83,342	\$83,048	\$330,585
Net sales	\$901,238	\$187,105	\$126,896	\$187,697	\$216,001	\$717,699	\$245,122	\$257,941	\$250,720	\$252,075	\$1,005,858	\$252,226	\$269,270	\$272,636	\$264,278	\$1,058,410
Cost of sales	796,101	166,631	114,016	162,501	195,757	638,905	214,001	223,573	218,127	218,591	874,292	220,067	234,265	237,193	227,704	919,229
Gross profit	\$105,137	20,474	12,880	25,196	20,244	\$78,794	31,121	34,368	32,594	33,484	\$131,566	32,159	35,005	35,443	36,574	\$139,181
Selling, prod dev. & admin.	61,649	12,467	15,576	12,294	11,091	51,428	15,718	17,719	17,550	17,713	68,700	17,908	18,041	17,449	17,516	70,913
Amortization expense	1,952	860	856	858	860	3,434	-	-	-	-	-	-	-	-	-	-
Operating income	41,536	7,147	(3,552)	12,044	8,293	23,932	15,403	16,649	15,043	15,771	62,866	14,251	16,964	17,994	19,059	68,267
Depreciation & amort.	16,907	4,640	4,585	4,609	6,588	20,422	4,475	4,475	4,475	4,475	17,900	4,475	4,475	4,475	4,475	17,900
EBITDA	57,050	11,787	1,033	16,653	14,881	42,425	19,878	21,124	19,518	20,246	79,366	18,726	21,439	22,469	23,534	84,767
Interest expense	16,855	4,624	5,309	5,460	5,210	20,603	5,041	2,818	2,100	2,066	12,025	1,900	1,900	1,900	1,865	7,565
Other	(2,225)	741	(205)	214	(22)	728	(656)	(285)	(50)	(50)	(1,041)	(50)	(50)	(50)	(50)	(200)
Income before taxes	22,456	1,782	(8,656)	6,370	3,105	2,601	11,018	14,116	12,993	13,755	51,882	12,401	15,114	16,144	17,243	60,902
Provision for taxes	6,003	1,123	(1,381)	(171)	4,753	4,324	2,528	3,415	2,988	3,261	12,192	2,852	3,476	3,713	3,966	14,007
Net inc. (Cont. Ops)	15,778	659	(7,275)	6,541	(1,648)	(1,723)	8,490	10,701	10,005	10,494	39,690	9,549	11,638	12,431	13,277	46,895
Nonrecurring Items	(675)	(25,163)	(5,220)	(2,363)	(2,580)	(35,326)	-	(5,606)	-	-	(5,606)	-	-	-	-	-
Diluted shares (thou)	30,823	30,806	30,890	31,617	31,625	30,943	31,264	32,674	32,700	32,700	32,335	31,750	31,750	31,750	31,750	31,750
Adjusted EPS	\$0.53	\$0.02	(\$0.24)	\$0.21	(\$0.05)	(\$0.06)	\$0.27	\$0.33	\$0.31	\$0.32	\$1.23	\$0.30	\$0.37	\$0.39	\$0.42	\$1.48
Nonrecurring items	(\$0.02)	(\$0.82)	(\$0.17)	(\$0.07)	(\$0.08)	(\$1.14)	\$0.00	(\$0.17)	\$0.00	\$0.00	(\$0.17)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GAAP EPS	\$0.51	(\$0.80)	(\$0.40)	\$0.13	(\$0.13)	(\$1.20)	\$0.27	\$0.16	\$0.31	\$0.32	\$1.05	\$0.30	\$0.37	\$0.39	\$0.42	\$1.48
Yr.-to-vr. rate of change																
Total revenue	0.4%	-23.1%	-47.8%	-16.7%	14.0%	-20.4%	31.0%	103.3%	33.6%	16.7%	40.2%	2.9%	4.4%	8.7%	4.8%	5.2%
Gross profit	-15.8%	-38.1%	-60.3%	-14.4%	99.1%	-25.1%	52.0%	166.8%	29.4%	65.4%	67.0%	3.3%	1.9%	8.7%	9.2%	5.8%
Operating income	-34.0%	-59.3%	-122.4%	-2.7%	NM	-42.4%	115.5%	-568.7%	24.9%	90.2%	162.7%	-7.5%	1.9%	19.6%	20.8%	8.6%
EBITDA	-27.1%	-45.5%	-94.7%	4.1%	NM	-25.6%	68.6%	1944.9%	17.2%	36.1%	87.1%	-5.8%	1.5%	15.1%	16.2%	6.8%
Net income	-60.3%	-93.4%	-190.7%	-16.7%	-82.3%	-110.5%	1188.3%	-247.1%	53.0%	-736.8%	-2403.5%	12.5%	8.8%	24.2%	26.5%	18.2%
EPS	-60.6%	-93.4%	-190.5%	-18.7%	-82.7%	-110.4%	1169.4%	-239.1%	47.9%	-715.8%	-2304.4%	10.7%	11.9%	28.0%	30.3%	20.3%
Margin analysis																
Gross profit	11.7%	10.9%	10.2%	13.4%	9.4%	11.0%	12.7%	13.3%	13.0%	13.3%	13.1%	12.8%	13.0%	13.0%	13.8%	13.2%
SG&A	6.8%	6.7%	12.3%	6.5%	5.1%	7.2%	6.4%	6.9%	7.0%	7.0%	6.8%	7.1%	6.7%	6.4%	6.6%	6.7%
Operating income	4.6%	3.8%	-2.8%	6.4%	3.8%	3.3%	6.3%	6.5%	6.0%	6.3%	6.3%	5.7%	6.3%	6.6%	7.2%	6.5%
EBITDA	6.3%	6.3%	0.8%	8.9%	6.9%	5.9%	8.1%	8.2%	7.8%	8.0%	7.9%	7.4%	8.0%	8.2%	8.9%	8.0%
Pretax income	2.5%	1.0%	-6.8%	3.4%	1.4%	0.4%	4.5%	5.5%	5.2%	5.5%	5.2%	4.9%	5.6%	5.9%	6.5%	5.8%
Effective tax rate	26.7%	63.0%	16.0%	-2.7%	153.1%	166.2%	22.9%	24.2%	23.0%	23.7%	23.5%	23.0%	23.0%	23.0%	23.0%	23.0%
Net income	1.8%	0.4%	-5.7%	3.5%	-0.8%	-0.2%	3.5%	4.1%	4.0%	4.2%	3.9%	3.8%	4.3%	4.6%	5.0%	4.4%

Sources: Company data; Sidoti & Company, LLC estimates

COMMERCIAL VEHICLE GROUP, INC.

Table 2.

Commercial Vehicle Group, Inc. Cash Flow Statement (\$ in thousands, except per share data)

	Mar.	June	Sep.	Dec.	2019	Mar.	June	Sep.	Dec.	2020	Mar.A	JuneA	2021E	2022E
Operating sources/uses:														
Net income	\$11,130	\$7,177	\$8,520	(\$11,049)	\$15,778	(\$24,594)	(\$12,497)	\$4,178	(\$4,136)	(\$37,049)	\$8,490	\$5,095	\$34,084	\$46,895
Depreciation & amortization	4,060	3,683	3,233	5,931	16,907	4,640	4,585	4,610	6,587	20,422	4,642	4,666	17,900	17,900
Other	6,473	3,131	3,621	13	13,238	24,755	(1,345)	1,863	805	26,078	4,599	10,151	4,599	-
Total	\$21,663	\$13,991	\$15,374	-\$5,105	45,923	\$4,801	(\$9,257)	\$10,651	3,256	9,451	\$17,731	\$19,912	56,583	64,795
Operating uses:														
Accounts receivable	(26,356)	(196)	1,787	36,719	11,954	(11,649)	22,646	(24,683)	(20,598)	(34,284)	(35,564)	(15,275)	2,377	(4,557)
Inventory	(4,739)	4,277	1,653	8,304	9,495	(3,259)	14,459	(11,826)	(6,202)	(6,828)	(18,255)	(18,788)	(9,542)	(450)
Other non-debt current assets liabilities	3,461	(3,450)	1,570	(32,207)	(30,626)	20,452	(17,685)	36,122	27,144	66,033	20,717	4,710	(28,818)	(10,243)
Total	(27,634)	631	5,010	12,816	(9,177)	5,544	19,420	(387)	344	24,921	(33,102)	(29,353)	(35,983)	(15,250)
Operating cash flow														
YTD operating CF	(5,971)	14,622	20,384	7,711	36,746	10,345	10,163	10,264	3,600	34,372	(15,371)	(9,441)	20,600	49,544
YTD operating CF	(5,971)	8,651	29,035	36,746		10,345	20,508	30,772	34,372		(15,371)	(24,812)		
Cash from Investing Activities														
Capital expenditures	(5,580)	(7,122)	(6,568)	(4,732)	(24,002)	(3,472)	(1,018)	(1,531)	(1,121)	(7,142)	(1,736)	(5,208)	(15,000)	(20,000)
Asset sales	20	-	-	3	23	4	83	482	153	722	27	8	-	-
Acquisitions	-	-	(34,000)	-	(34,000)	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
YTD Investing act	(5,560)	(7,122)	(40,568)	(4,729)	(57,979)	(3,468)	(935)	(1,049)	(968)	(6,420)	(1,709)	(5,200)	(15,000)	(20,000)
YTD Investing act	(5,560)	(12,682)	(53,250)	(57,979)		(3,468)	(4,403)	(5,452)	(6,420)		(1,709)	(6,909)		
Cash from Financing Activities														
Proceeds from S-T debt, net	-	-	-	-	-	15,000	-	(15,000)	-	-	-	-	-	-
Proceeds from L-T debt, net	(5,244)	(1,094)	-	(2,187)	(8,525)	(1,094)	(1,094)	(6,093)	(6,094)	(14,375)	5,706	27,140	(17,500)	(13,250)
Proceeds from common financing, net	-	-	-	(985)	(985)	-	-	-	(663)	(663)	-	-	7,656	(3,218)
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(105)	(117)	(159)	(222)	(603)	(62)	(2,756)	(100)	(1,306)	(4,224)	(232)	(10,373)	-	-
Total	(5,349)	(1,211)	(159)	(3,394)	(10,113)	13,844	(3,850)	(21,193)	(8,063)	(19,262)	5,474	16,767	(9,844)	(16,468)
YTD Financing act	(5,349)	(6,560)	(6,719)	(10,113)		13,844	9,994	(11,199)	(19,262)		5,474	22,241		
Foreign exchange	315	(116)	(1,475)	1,220	(56)	(2,177)	(43)	2,189	2,333	2,302	(761)	709	0	0
Beginning cash & equiv.	\$70,913	54,348	60,521	38,703	70,913	\$39,511	58,055	63,390	53,601	39,511	\$50,503	38,136	50,503	46,259
Cash flow	(16,565)	6,173	(21,818)	808	(31,402)	18,544	5,335	(9,789)	(3,098)	10,992	(12,367)	2,835	(4,244)	13,077
Ending cash & equiv.	54,348	60,521	38,703	39,511	\$39,511	58,055	63,390	53,601	50,503	\$50,503	38,136	40,971	\$46,259	\$59,335
Free cash flow	(\$11,551)	\$7,500	\$13,816	\$2,979	\$12,744	\$6,873	\$9,145	\$8,733	\$2,479	\$27,230	(\$17,107)	(\$14,649)	\$5,600	\$29,544
Free cash flow/share	(\$0.19)	\$0.47	\$0.66	\$0.25	\$0.41	\$0.34	\$0.33	\$0.32	\$0.11	\$0.88	(\$0.49)	(\$0.29)	\$0.17	\$0.93

Sources: Company Data; Sidoti & Company, LLC estimates

COMMERCIAL VEHICLE GROUP, INC.

Table 3.

Commercial Vehicle Group, Inc. Balance Sheet (\$ in thousands, except per share data)

	<u>Mar.</u>	<u>June</u>	<u>Sep.</u>	<u>2019</u>	<u>Mar.</u>	<u>June</u>	<u>Sep.</u>	<u>2020</u>	<u>Mar.</u>	<u>June</u>	<u>2021E</u>	<u>2022E</u>
Assets												
Current Assets:												
Cash and equivalents	\$54,348	\$60,521	\$38,703	\$39,511	\$58,055	\$63,390	\$53,601	\$50,503	\$38,136	\$40,971	\$46,259	\$59,335
Receivables	159,016	157,882	153,190	115,099	123,293	102,771	128,648	151,101	186,036	202,058	148,724	153,281
Inventory	97,280	92,913	90,186	82,872	84,459	70,711	83,303	91,247	109,008	128,319	100,830	100,426
Other current assets	21,257	22,370	24,496	18,490	14,043	13,684	13,031	17,686	22,043	21,650	17,645	18,499
Total current assets	331,901	333,686	306,575	255,972	279,850	250,556	278,583	\$310,537	355,223	392,998	313,458	331,542
Equipment, net	66,128	70,658	73,059	73,686	70,022	66,867	64,556	62,776	59,882	61,262	57,084	55,037
Goodwill & Intangibles	20,079	19,812	54,029	53,074	24,160	23,362	22,584	21,804	20,926	20,028	17,645	18,499
Other assets	35,487	36,170	37,788	53,094	57,156	60,203	61,394	59,256	55,855	55,667	50,415	50,213
Total Assets	\$453,595	\$460,326	\$471,451	\$435,826	\$431,188	\$400,988	\$427,117	\$454,373	\$491,886	\$529,955	\$438,602	\$455,291
Liabilities & Sh. Eq.												
Current Liabilities:												
Current Port. L-T Debt	\$3,229	\$3,238	\$3,335	\$3,254	\$18,268	\$17,444	\$2,435	\$2,429	\$2,430	\$7,500	\$4,400	\$4,400
Accounts payable	96,305	93,320	88,835	63,058	73,640	54,561	89,435	112,402	135,453	141,797	88,226	84,569
Operating leases	4,456	4,851	5,485	7,620	7,730	8,274	8,874	9,236	-	-	-	-
Other accrued liab.	35,697	34,936	38,885	32,673	39,266	37,140	36,445	40,820	51,681	46,501	45,373	39,642
Total current liabilities	139,687	136,345	136,540	\$106,605	138,904	117,419	137,189	\$164,887	189,564	195,798	\$138,000	\$128,611
Long-term debt	155,572	154,758	154,950	153,128	152,304	151,729	147,965	144,147	152,035	177,225	121,253	108,003
Other	31,685	32,721	40,216	47,403	43,054	43,979	46,618	49,969	47,672	45,295	46,634	42,284
Shareholders' Equity	126,651	136,502	139,745	128,688	96,926	87,861	95,345	95,370	102,615	111,637	132,716	176,393
Total Liab. & Sh. Eq.	\$453,595	\$460,326	\$471,451	\$435,824	\$431,188	\$400,988	\$427,117	\$454,373	\$491,886	\$529,955	\$438,602	\$455,291
Current Ratio	2.4	2.4	2.2	2.4	2.0	2.1	2.0	1.9	1.9	2.0	2.3	2.6
LT Debt / Total capital	55.1%	53.1%	52.6%	54.3%	61.1%	63.3%	60.8%	60.2%	59.7%	61.4%	47.7%	38.0%
Total Debt / Total capital	55.6%	53.6%	53.1%	54.9%	63.8%	65.8%	61.2%	60.6%	60.1%	62.3%	48.6%	38.9%
Book Value / Share	\$4.13	\$4.43	\$4.53	\$4.18	\$3.15	\$2.84	\$3.02	\$3.02	\$3.28	\$3.62	\$4.06	\$5.56
Tangible BV/Share	\$0.51	\$0.55	\$0.44	\$2.45	\$0.44	\$0.57	\$2.63	\$1.14	\$2.30	\$2.51	\$2.52	\$3.97
Return on avg. equity	11.4%	15.8%	27.0%	13.5%	5.8%	-7.1%	-9.2%	-1.5%	6.4%	28.1%	34.8%	30.3%
Return on avg. assets	5.5%	6.3%	7.7%	3.9%	1.6%	-1.9%	-2.2%	-0.4%	1.4%	6.1%	8.9%	10.5%
Asset turnover	1.3	1.7	2.2	2.1	1.9	1.7	1.6	1.6	1.7	1.8	2.3	2.4
Receiv. turnover (days)	57	56	61	51	59	62	62	68	67	70	54	52
Net cash	(\$104,453)	(\$97,475)	(\$119,582)	(\$116,871)	(\$112,517)	(\$105,783)	(\$96,799)	(\$96,073)	(\$116,329)	(\$143,754)	(\$79,394)	(\$53,068)
Net cash/debt per share	(\$10.46)	(\$12.16)	(\$15.22)	(\$3.79)	(\$170.74)	\$14.54	(\$14.80)	(\$3.04)	(\$13.70)	(\$17.93)	(\$2.43)	(\$1.67)

Sources: Company data; Sidoti & Company, LLC estimates

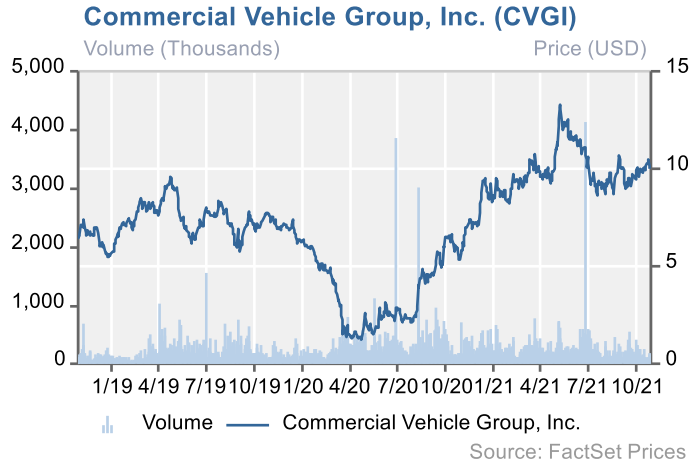
Appendix
Required Disclosures

Required Disclosures

Commercial Vehicle Group, Inc. (CVGI-\$10.29) NR Price Target: \$18 Risk Rating: M

Rating and Price Target History Table

Action	Date	Px	Rating	PT	Risk Rating
Initiation	11/18/20	7.4	NR	14	M
PT	1/21/21	8.6		14	
PT	3/3/21	9.5		14	
PT	3/10/21	10.3		14	
PT	5/3/21	11.2		16	
PT	5/5/21	11.2		16	
PT	5/26/21	11.7		16	
PT	7/29/21	9.1		16	
PT	8/4/21	8.7		18	
PT	8/20/21	8.8		18	



Valuation	<p>We maintain our \$18 price target on CVGI shares. We think the ongoing transformation of CVG merits the utilization of a blended multiple, based on the future projected profit contribution of the businesses, in our valuation. In doing so, we assume that by 2022, 25% of revenue will be in automation and 75% in truck (and related) products. We compare this mix to the S&P small-cap truck, farming and construction and S&P small-cap industrial machinery indices. By 2023, we assume profit growth rates will slow, reflected in contracting forward P/E multiples. Over the last ten years, the median forward P/E on the S&P small-cap truck sector was 20.0x forward one-year EPS and 17.0x forward two-year EPS, with a peak forward multiple of 12x-14x. Similarly, the S&P small-cap machinery index has traded at 20.0x forward one-year EPS and 18.0x forward two-year EPS, with peak forward multiple trading at a wider spread of 10x-14x. Utilizing the midpoints of 13x peak trucking and 12x peak machinery on our projected profit contributions, we derive a blended multiple of 12x. Our \$18 price target is thus based on a constant 12x our 2022 EPS estimate of \$1.50. We have a Moderately Risky rating on CVGI shares to reflect the cyclical nature of the truck market and levered balance sheet.</p>		
Key Risks	Cyclicality of trucking market	Risk in new market penetration	High debt levels

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