Commercial Vehicle Group, Inc.
Form 10-K
March 11, 2019
Table of Contents

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

Form 10-K
þ 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, 2018	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 New Albany, Ohio (Address of Principal Executive Offices)	43054 (Zip Code)

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

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

Title of Each Class	Name of exchange on which registered
Common Stock, par value $.01 per share	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 þ

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 þ

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 þ No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted 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 þ No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

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 þ Non-accelerated filer ¨ Smaller reporting 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 þ
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, 2018, was $218,398,015.
As of March 11, 2019, 31,273,393 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 16, 2019 (the “2019 Proxy Statement”).

Table of Contents

COMMERCIAL VEHICLE GROUP, INC.
Annual Report on Form 10-K
Table of Contents

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”, “continu 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) general economic or business conditions affecting the markets in which the Company serves; (ii) the Company's ability to develop or successfully introduce new products; (iii) risks associated with conducting business in foreign countries and currencies; (iv) increased competition in the medium- and heavy-duty truck markets, construction, agriculture, aftermarket, military, bus and other markets; (v) the Company’s failure to complete or successfully integrate strategic acquisitions; (vi) the Company’s ability to recognize synergies from the reorganization of the segments; (vii) the Company’s failure to successfully manage any divestitures; (viii) the impact of changes in governmental regulations on the Company's customers or on its business; (ix) the loss of business from a major customer, a collection of smaller customers or the discontinuation of particular commercial vehicle platforms; (x) the Company’s ability to obtain future financing due to changes in the lending markets or its financial position; (xi) the Company’s ability to comply with the financial covenants in its debt facilities; (xii) fluctuation in interest rates relating to the Company’s debt facilities; (xiii) the Company’s ability to realize the benefits of its cost reduction and strategic initiatives; (xiv) a material weakness in our internal control over financial reporting which could, if not remediated, result in material misstatements in our financial statements; (xv) volatility and cyclicality in the commercial vehicle market adversely affecting us; (xvi) the geographic profile of our taxable income and changes in valuation of our deferred tax assets and liabilities impacting our effective tax rate; (xvii) changes to domestic manufacturing initiatives; and (xviii) 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. 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.

Table of Contents

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 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 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.

In February 2019, the Company announced a strategic reorganization of its operations into two reportable segments, Electrical Systems Segment and Global Seating Segment. The Electrical Systems Segment, includes electrical wire harnesses and panel assemblies, trim systems and components ("Trim"), cab structures and sleeper boxes, mirrors, wipers and controls. The Global Seating Segment, includes seats and seating systems ("Seats"), office seating, and aftermarket seats and components. This reorganization will allow the Company to better focus its business along product lines, as opposed to end markets, which the Company believes will enhance the effectiveness of seeking out growth opportunities and shareholder value. With respect to the Electrical Systems segment, we believe there may be opportunities to realize certain synergies amongst the products in this segment, especially with respect to electrical wire harnesses and panel assemblies, trim systems and components, and mirrors, wipers, and controls. With respect to the Seating Segment, we believe combining the seating operations would provide us opportunities to leverage resources and best practices in engineering, product development, and manufacturing, while eliminating redundancies and providing a global, more scalable platform for effective and efficient operations.
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 America 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 will allow the Company to better focus its business along product lines, as opposed to end markets, which the company believes will enhance the effectiveness of seeking out growth opportunities and enhancing 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 10 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:

- Wire harness assemblies primarily for construction, agricultural, industrial, automotive, truck, mining and military industries in North America, Europe and Asia-Pacific;
- 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 Seats as follows:

1

Table of Contents

- 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 10 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, 2018, 2017 and 2016, 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 and Panel 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 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.

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.

2

Table of Contents

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 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:

	2018	2017	2016
Truck	49%	44%	44%
Construction	19	20	16
Aftermarket and OE Service	11	10	11
Automotive	9	10	10
Military	4	4	3
Agriculture	2	3	3
Other	6	9	13
Total	100%	100%	100%

We believe we are a successful long-term supplier because of our comprehensive product offerings and product innovation services. Our principal customers include A.B. Volvo, Daimler, John Deere, PACCAR, and Caterpillar, constituting a combined total of 70%, 67% and 64% of Electrical Systems Segment revenue for the years ended December 31, 2018, 2017 and 2016, respectively.

Our European and Asia-Pacific operations collectively contributed approximately 13%, 13% and 11% of our revenues for the years ended December 31, 2018, 2017 and 2016, 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, and parts and components for the aftermarket.

Table of Contents

Office Seating. We design, engineer and produce office seating products. Our office seating was developed as a result of our experience 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:

	2018	2017	2016
Medium- and Heavy-duty Truck OEMs	43%	39%	39%
Construction OEMs	24	25	23
Aftermarket and OE Service	21	24	26
Bus OEMs	8	9	10
Other	4	3	2
Total	100%	100%	100%

We believe we are a successful long-term supplier because of our comprehensive product offerings, leading brand names and product innovation. Our principal customers include Daimler, A.B. Volvo, Navistar, PACCAR and Caterpillar, constituting a combined total of 59%, 57% and 57% of Global Seating Segment revenue for the years ended December 31, 2018, 2017 and 2016, respectively.

Our European and Asia-Pacific operations collectively contributed approximately 43%, 45% and 45% of the Global Seating Segment's revenues for the years ended December 31, 2018, 2017 and 2016, 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 I 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 grow by increasing sales 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 table shows production levels (in thousands of units) of commercial vehicles used for local and long-haul commercial trucking from 2014 through 2018 in North America:

4

Table of Contents

	2014	2015	2016	2017	2018
Class 8 trucks	297	323	228	256	324
Class 5-7 trucks	226	237	233	249	272

Source: ACT N.A. (February 2019).

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 2018. The percentages of North American heavy-duty production represented by Daimler, PACCAR, A.B. Volvo, and Navistar were approximately 37%, 30%, 17%, and 14%, respectively, in 2018. 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 North American Class 8 truck build for the years 2016 to 2023:

“E” — Estimated

Source: ACT (February 2019).

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 is approximately 11.2 years in 2018. 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 approximate average age of the U.S. Class 8 truck population:

Table of Contents

“E” — Estimated
Source: ACT (February 2019).

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 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 North American Class 5-7 truck build for the years 2016 through 2023:
“E” — Estimated
Source: ACT (February 2019).

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 GDP, 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

Table of Contents

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, and (3) constraints on arable land and other macroeconomic and demographic factors.

Military Equipment Market. We supply products for heavy- and medium-payload tactical trucks that are used by various military 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 and Panel Assemblies. The principal raw materials used to manufacture our electrical wire harnesses are 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 and continue to experience a shortage of certain of these raw materials.

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 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

Table of Contents

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 and development and testing of new products for existing and new applications. We have test and validation engineering centers in North America, Europe and Asia. We have a global engineering support center in India to provide a cost-effective global engineering resource to 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 to ensure that our quality and delivery metrics 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, 2018, 2017 and 2016 totaled $9.5 million, $7.7 million and $7.0 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 and Panel Assemblies. We utilize several manufacturing techniques to produce our electrical wire harnesses and panel assemblies. Our processes, manual and automated, are designed to produce a wide range of wire harnesses and panel assemblies in short time frames. Our wire harnesses and panel assemblies 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.

Table of Contents

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 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

Table of Contents

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 and Panel Assemblies. We supply a wide range of electrical wire harnesses and panel assemblies used in various commercial and other vehicles. Our primary competitors for wire harnesses include 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 system 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 (formerly Crenlo), Worthington Industries (formerly Angus Palm), 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 and Tiancheng (in China); and Harita and Pinnacle (in India).

Competitive Strengths

Generally, the barriers to entry in our business include investment, specific engineering requirements, transition 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. Our market position in the North American MD/HD Truck market leads us to believe we have processes in place to design, manufacture and introduce products that meet customers' expectations in that 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 penetration 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. Because 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. We manufacture or assemble our products in facilities in North America, Europe and in the Asia-Pacific region.

Lean Manufacturing. We began what we refer to as our "Operational Excellence" program, which is based on Lean Six-Sigma concepts, in 2015. The program has trained approximately 2,300 CVG employees to achievement levels ranging from yellow belt to black belt in the Lean Six-Sigma concepts. We believe the Lean or Six-Sigma projects make significant and sustainable improvement in processes, products or services leading to sizable contributions that help off-set inflation and enhance margins.

CVG Digital. We began a digital transformation in 2017 as a part of a multi-year plan. As a part of this program, we have standardized our real-time production data collection and electronic display methods. We have also standardized our downtime detection and problem solving systems based on the use of electronic alerts. This type of real-time production floor monitoring and data-driven problem solving approach improves accountability, drives ownership, and enhances employee engagement leading to tangible improvement in asset utilization, labor efficiency, quality, and employee retention.

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.

Management Team. We believe that our management team has substantial knowledge of our customer needs and expertise in critical operational areas, and has a demonstrated ability to manage costs, improve processes and expand revenue through product, market, geography and customer diversification.

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, 2018, we had approximately 8,355 permanent employees, of whom approximately 15% were salaried and the remainder were hourly. As of December 31, 2018, approximately 53% of the employees in our North American operations were unionized, with the majority of union-represented personnel based in Mexico. Approximately 68% 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 2018 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 Matters

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, and the 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 are also subject to laws imposing liability for the cleanup of contaminated property. Under these laws, we could be held liable for costs and damages relating to contamination at our past or present facilities and at third-party sites to which we sent waste containing hazardous substances.

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 percent 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 them. 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.

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 11, 2019:

Name	Age	Principal Position(s)
Patrick E. Miller	51	President, Chief Executive Officer, Director
C. Timothy Trenary	62	Executive Vice President and Chief Financial Officer
Dale M. McKillop	61	Senior Vice President and Managing Director of Trim, Wipers and Structures

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.

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.

Table of Contents

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 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 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 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 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.

Table of Contents

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 compliment 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 the Company is unable to successfully complete and integrate strategic acquisitions in a timely manner, its 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.

The Company may not be successful in managing these or any other significant risks that it may encounter in divesting a business or product line and its 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 19%, 16% and 11%, respectively, of our revenue in 2018, and our ten largest customers accounted for approximately 76% of our revenue in 2018. 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.

Table of Contents

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 accounted for approximately 25%, 26% and 25% of our total revenues for the years ended December 31, 2018, 2017 and 2016, respectively. 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

---

Table of Contents

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 uncertainty surrounding the implementation and effect of Brexit may cause increased economic volatility, affecting our operations and business.

On June 23, 2016, voters in the United Kingdom (UK) approved an advisory referendum to withdraw membership from the EU, which proposed exit (referred to as Brexit) could cause disruptions to, and create uncertainty surrounding, our business in the UK and EU, including affecting our relationships with our existing and future customers, suppliers and employees. As a result, Brexit could have an adverse effect on our future business, financial results and operations. The formal process for the UK leaving the EU began in March 2017, when the UK served notice to the European Council under Article 50 of the Treaty of Lisbon. The long-term nature of the UK's relationship with the EU is unclear and there is considerable uncertainty when any relationship will be agreed and implemented. The political and economic instability created by Brexit has caused and may continue to cause significant volatility in global financial markets and uncertainty regarding the regulation of data protection in the UK. Brexit could also have the effect of disrupting the free movement of goods, services, and people between the UK, EU, and elsewhere. The effects of Brexit will depend on any agreements the UK makes to retain access to the EU markets either during a transitional period or more permanently. Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the UK determines which EU laws to replace or replicate. Further, uncertainty around these and related issues could lead to adverse effects on the economy of the UK and the other economies in which we operate. There can be no assurance that any or all of these events will not have a material adverse effect 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 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, which has to be ratified by the legislature in each of the signatory countries before it becomes binding. 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.

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. The continuation or expansion of the tariffs 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, specifically China and India, 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 those regions. 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 and 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 product and, as a result, our businesses and financial position 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.

Table of Contents

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 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, 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.

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

18

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, 2018, approximately 53% 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 68% 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. Significant or unanticipated changes in circumstances, such as 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, may result in a charge for impairment that can 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. 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.

Table of Contents

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.

On December 22, 2017, the U.S. Tax Cuts and Jobs Act of 2017 ("U.S. Tax Reform") was signed into law, enacting sweeping changes to U.S. federal tax law. At the time of the enactment of the U.S. Tax Reform, it was necessary for U.S. multinational corporations to prepare complex calculations not previously undertaken and make judgments on how to interpret and implement the U.S. Tax Reform due to the significant complexity of, and uncertainty surrounding, its various provisions. As a result, it was necessary for the Company to make reasonable estimates in providing for the U.S. federal income tax impact of certain provisions of the U.S. Tax Reform in its financial statements for the year ended December 31, 2017. Specifically, a $4.0 million tax provision was recorded for the estimated impact of the one-time tax on the deemed repatriation of accumulated untaxed earnings of the Company's foreign subsidiaries in the year ended December 31, 2017. After performing additional data gathering and analysis and interpreting subsequently issued guidance from the Internal Revenue Service ("IRS"), we recorded a $4.2 million tax benefit during the year ended December 31, 2018 which represented our final adjustment to the provisional $4.0 million tax expense recorded during the year ended December 31, 2017. Although we believe the Company has properly accounted for the impact of the U.S. Tax Reform, the IRS has not yet issued final regulations governing how the various provisions should be interpreted so it is possible that we could be challenged by the IRS or need to file an amended U.S. consolidated federal income tax return for the tax year ended December 31, 2017, which may have a material impact on our financial statements in a future period.

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 Internal Revenue Service, customer and supplier disputes, contractual disputes, intellectual property disputes, environmental claims and product liability claims arising out of the conduct of our business. 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.

Table of Contents

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.

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 personal injury 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

Table of Contents

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 EPA, state regulatory agencies in North America, such as 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 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 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 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;

Table of Contents

- 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.

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;
- new business acquisitions;
- uncertainty in geographic regions;

- cyber attacks;
- currency and interest rate fluctuations;
- uncertainty with respect to the North American Free Trade Agreement, USMCA and other international trade agreements;
- Brexit
- union actions; and
- seasonal factors.

Table of Contents

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; shareholders 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 shareholders' 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.

Table of Contents

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, 2018:

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 / R&D	Leased
Vonore, Tennessee	Seats, Flooring & Warehouse	Owned / Leased
Dublin, Virginia	Trim & Warehouse	Owned / 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	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 / R&D	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 / R&D	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 7 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 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, and environmental claims arising out of the conduct of our businesses and examinations by the Internal Revenue Service. 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

Table of Contents

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.

Table of Contents

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 11, 2019, there were 169 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 and the new group from November 1, 2016 onward. 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, 2013 and tracks it through December 31, 2018.

	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18
Commercial Vehicle Group, Inc.	100.00	91.61	37.96	75.92	146.76	78.26
NASDAQ Composite	100.00	114.83	122.99	134.02	173.86	168.98
Legacy Peer Group	100.00	106.39	85.46	105.23	148.06	101.39
New Peer Group	100.00	102.02	95.16	129.85	148.54	124.97

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

Table of Contents

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 2018. Our employees surrendered 158,456 shares of our common stock in 2018 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, 2018:

	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, 2018 through October 31, 2018	158,456	$ 7.14	—	—

No other shares were surrendered during the quarter ended December 31, 2018.

Unregistered Sales of Equity Securities
We did not sell any equity securities during 2018 that were not registered under the Securities Act of 1933, as amended.

Table of Contents

Item 6. Selected Financial Data

The following table sets forth selected consolidated financial data regarding our business and certain industry information and should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", and our consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K.

Material Events Affecting Financial Statement Comparability

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, 2018.

The table below sets forth certain operating revenues for the periods indicated (in thousands, except per share data):

	Years Ended December 31,				
	2018	2017	2016	2015	2014
Statements of Operations Data:					
Revenues	$897,737	$755,231	$662,112	$825,341	$839,743
Cost of revenues	768,885	663,513	575,409	714,986	732,647
Gross profit	128,852	91,718	86,703	110,355	107,096
Selling, general and administrative expenses	60,679	59,547	60,482	71,321	72,364
Amortization expense	1,300	1,320	1,305	1,327	1,515
Operating income	66,873	30,851	24,916	37,707	33,217
Other income	1,311	1,943	1,236	471	261
Interest expense	14,676	19,149	19,318	21,359	20,716
Income before provision for income taxes	53,508	13,645	6,834	16,819	12,762
Provision for income taxes	8,996	15,350	49	9,758	5,131
Net income (loss)	44,512	(1,705)	6,785	7,061	7,631
Less: Non-controlling interest in subsidiary's income (loss)	—	—	—	1	1
Net income (loss) attributable to CVG stockholders	$44,512	$(1,705)	$6,785	$7,060	$7,630
Income (loss) per share attributable to common stockholders:					
Basic	$1.47	$(0.06)	$0.23	$0.24	$0.26
Diluted	$1.46	$(0.06)	$0.23	$0.24	$0.26
Weighted average common shares outstanding:					
Basic	30,277	29,942	29,530	29,209	28,926
Diluted	30,587	29,942	29,878	29,399	29,117

Table of Contents

	Years Ended December 31,				
	2018	2017	2016	2015	2014
Balance Sheet Data (at end of each period):					
Working capital (current assets less current liabilities)	$182,008	$150,903	$202,693	$193,424	$192,618
Total assets	418,130	384,388	428,765	436,679	442,927
Total liabilities, excluding debt	139,334	142,697	127,921	133,112	133,177
Total debt, net of prepaid debt financing costs and discount	163,758	166,949	233,154	235,000	250,000
Total CVG stockholders' equity	115,038	74,742	67,690	65,930	58,801
Total non-controlling interest	—	—	—	—	35
Total stockholders' equity	115,038	74,742	67,690	65,930	58,836
Other Data:					
Net cash provided by (used in):					
Operating activities	$40,992	$2,257	$49,365	$55,299	$9,519
Investing activities	(14,101)	(10,776)	(8,903)	(14,506)	(12,289)
Financing activities	(5,835)	(72,848)	(714)	(16,008)	514
Depreciation and amortization	15,418	15,344	16,451	17,710	18,247
Capital expenditures	14,550	13,567	11,917	15,590	14,568
North American Class 8 Production (units) [1]	324,000				