Sep 17, 2025

Industrial Goods

CVGI

NGS

Rating

Outperform

Unchanged

Current Price

$1.94

Target Price

$4.00

Market Capitalization
71.83m

Shares Outstanding
37.03m

Float
33.40m

Institutional Holdings
39.28%

12-Month Low/High
$0.81/$3.57

Average 90-Day Volume
153410

Fiscal Year End
2025-12-31

Revenues ($ MIL)

Period	2024A	2025E	2026E
Q1	194.6A	169.8A	
Q2	193.7A	172.0A	
Q3	171.8A	158.0E	
Q4	163.3A	165.0E	
	723.4A	664.8E	690.0E

EPS ($)

Period	2024A	2025E	2026E
Q1	0.08A	(0.08)A	
Q2	0.05A	(0.09)A	
Q3	(0.01)A	(0.06)E	
Q4	(0.15)A	(0.02)E	
	(0.03)A	(0.25)E	0.13E

Commercial Vehicle Group

Activist Shareholder Calls for Strategic Review

Call For A Review. In an amended Schedule 13D filing, investor Lakeview Opportunity Fund has communicated its views on the Company to the CVG management and Board on opportunities for value creation, including through a review process that explores strategic alternatives, including a sale of the Company.

Who Is Lakeview? With Managing Partner Ari Levy, Lakeview is a concentrated and opportunistic multi-strategy fund. The Fund focuses on underfollowed or ignored market areas, such as small and mid-cap value equities, niche Wall Street vehicles, options, and selective shareholder activism, where Lakeview helps companies, generally trading at significant discounts to private market value, unlock shareholder value.

Timeline. Lakeview first filed a Schedule 13D on CVG on July 1st, where the investment firm disclosed ownership of 3,118,982 CVGI shares, noting the shares were acquired given Lakeview's belief that CVG was undervalued and represented an attractive investment opportunity.. At that point, the investor did not have plans to take on an activist role. Lakeview currently owns 3,126,911 CVGI shares, representing approximately 8.5% of the outstanding CVGI common shares. Lakeview acquired its stake at a cost of $4.3 million, or an average cost per share of $1.39.

Our View. We concur with Lakeview that CVG is an attractive Company. We believe management has been taking the appropriate steps to right size the ship, but challenging end markets have hampered a solid operating turnaround. When the end market turn comes, we believe CVG is well positioned to capitalize.

Maintaining Outperform. Despite the economic headwinds and dampened outlook, we are reiterating our Outperform rating. We believe the improving margins, costs, and debt structure position the Company well to take advantage of a market turnaround and provide more stable earnings. We are maintaining our price target of $4.

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Refer to the last two pages for Analyst Certification & Disclosures

Company Profile

Commercial Vehicle Group (CVG) is a global provider of systems, assemblies, and components to the global commercial vehicle market, the electric vehicle market, and the warehouse automation markets. CVG primarily manufactures customized products to meet the requirements of its customers. The Company's products are used by a majority of the North American Commercial Truck manufacturers, many construction vehicle original equipment manufacturers ("OEMs") and top e-commerce retailers.

In the quarter ended December 31, 2021, CVG completed a strategic reorganization of its operations into four segments, Vehicle Solutions,
Industrial Automation, Electrical Systems, and Aftermarket & Accessories. In the quarter ended December 31, 2024, CVG closed on the sale of its Industrial Automation segment. Detail of each is provided below.

Accounting for 56% of 2024 consolidated sales, the Vehicle Solutions segment designs, manufactures and sells the following products:

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

The Electrical Systems segment, 26% of 2024 consolidated sales, designs, manufactures and sells the following products:

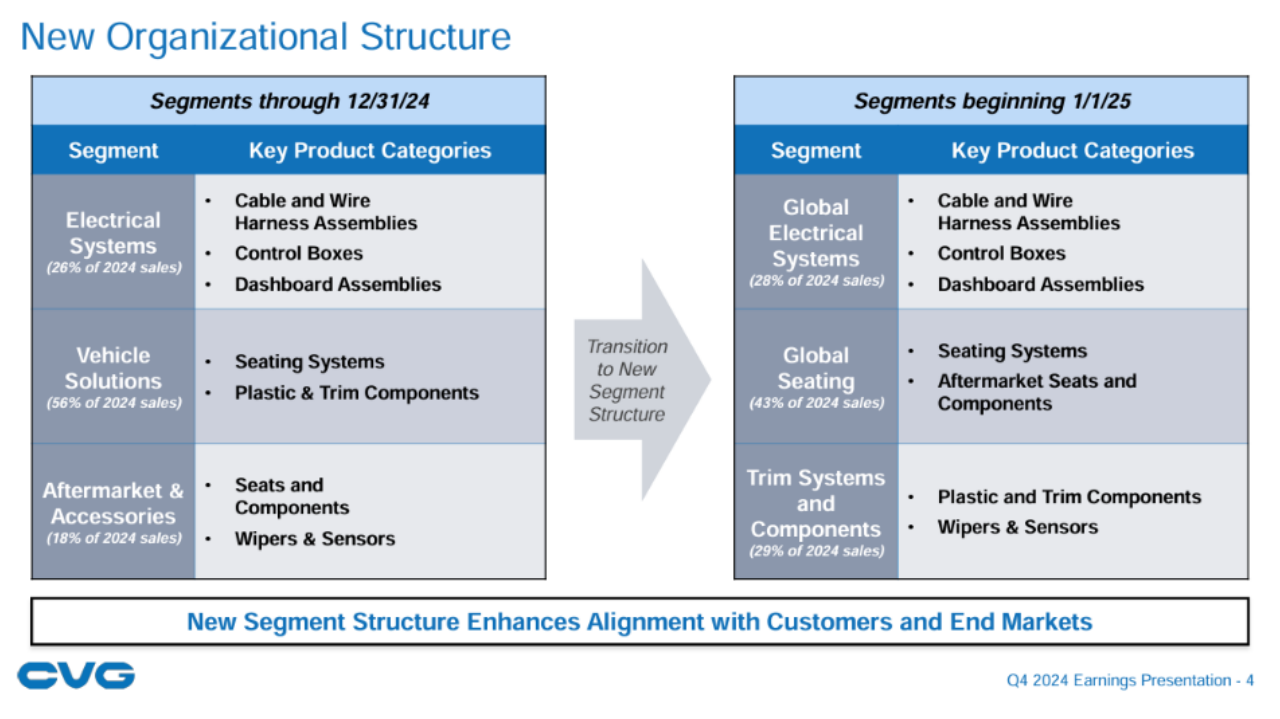
- Cable and harness assemblies for both high and low voltage applications, control boxes, dashboard assemblies and design and engineering for these applications. The end markets for these products are construction, agricultural, industrial, automotive (both internal combustion and electric vehicles),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

Finally, accounting for 18% of 2024 consolidated sales, the Aftermarket & Accessories segment designs, manufactures and sells the following products:

- Seats and components sold into the commercial vehicle markets in North America, Europe and Asia-Pacific;
- Commercial vehicle accessories including wipers, mirrors, and sensors; and
- Office seats primarily in Europe and Asia-Pacific.

In 2024, CVG reported $723.4 million of revenue and adjusted net loss of $1.2 million, or $0.03 per diluted share.

During the first quarter of 2025, CVG implemented a new organizational structure, as outlined in the following chart.



Fundamental Analysis — 3.5/5.0 checks

We give Commercial Vehicle Group, Inc. 3.5 checks out of 5.0, which falls within our "Above Average" range of 3.5 to 4.0 checks. We give the Company superior marks for its Corporate Governance and Management. The Company has seven directors, six of whom are independent. The CEO and Chairperson roles are separated. Directors are elected annually. Management and the Board of Directors owned a reported 6.3% of the common shares as of March 2024. There is a clawback policy to recover payments of incentive-based compensation from executives and management and Board members have stock ownership guidelines. We view CVG's overall market opportunity favorably, although this is a highly competitive industry with a number of competitors that are significantly larger. We believe there is additional operating leverage as the Company scales revenue. CVG gets average marks for its balance sheet, although management has set a goal to de-lever the Company, although the Company may need to raise additional capital if it continues to acquire additional firms.

Valuation Summary

We are maintaining our Outperform rating and our $4 price target. Importantly, we believe the Company's long-term growth outlook remains favorable, and is positioning itself well with its business transformation to drive a more diversified, profitable business. CVG is in the midst of a business transformation to drive top line revenue and overall margin improvements. At our $4.00 price target, CVGI shares would trade at 0.3x forecasted 2025 revenue and 9.5x forecasted 2025 adjusted EBITDA.

Key Risks include, but are not limited to:

1. Volatility in and disruption to the global economic environment and changes in the regulatory and business environments in which the Company operates may have an adverse effect on the business, results of operations, and financial condition.
2. 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 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 construction equipment products is dependent on vehicle demand for new commercial vehicles in the global construction equipment market; and demand in the medium and heavy-construction vehicle market, which is where CVG products are primarily used, is typically related to the level of larger-scale infrastructure development projects.

3. The Company's goal of strategic acquisitions exposes CVG to all the risks associated with an acquisition, including overpaying for an acquisition, potential additional debt and/or equity financing needed to complete an acquisition, and the potential impact on the existing business if expected synergies do not materialize, among other acquisition risks.
4. The customer base is concentrated and the loss of business from a major customer or the discontinuation of particular commercial vehicle platforms could negatively impact operating results.
5. Profitability could be adversely affected if the actual production volumes for customers' vehicles are significantly lower than expected or costs are higher than expected.
6. CVG is subject to certain risks associated with foreign operations.
7. The Company could experience disruption in its supply or delivery chain, which could cause one or more customers to halt or delay production.
8. With a significant portion of employees unionized, CVG may be adversely impacted by labor strikes, work stoppages and other matters.
9. Earnings may be adversely affected by changes to the carrying values of tangible and intangible assets as a result of recording any impairment charges deemed necessary.
10. The Company's 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 the businesses could result in an adverse effect on CVG's financial condition and results of operations.

A - 08/06/2025 Outperform Target $4.00 Current $1.90	B - 08/05/2025 Outperform Target $4.00 Current $1.80
C - 07/03/2025 Outperform Target $4.00 Current $1.98	D - 05/08/2025 Outperform Target $4.00 Current $1.19
E - 05/07/2025 Outperform Target $4.00 Current $1.03	F - 03/12/2025 Outperform Target $4.00 Current $1.63
G - 12/30/2024 Outperform Target $8.00 Current $2.38	H - 11/06/2024 Outperform Target $8.00 Current $2.74
I - 11/05/2024 Outperform Target $8.00 Current $2.40	J - 08/07/2024 Outperform Target $8.00 Current $3.49
K - 08/06/2024 Outperform Target $12.00 Current $3.98	L - 08/02/2024 Outperform Target $12.00 Current $4.83
M - 05/09/2024 Outperform Target $12.00 Current $5.81	N - 05/07/2024 Outperform Target $12.00 Current $5.60
O - 03/07/2024 Outperform Target $12.00 Current $6.20	P - 03/05/2024 Outperform Target $12.00 Current $6.15
Q - 12/12/2023 Outperform Target $12.00 Current $6.40	R - 11/06/2023 Outperform Target $12.00 Current $5.89
S - 11/02/2023 Outperform Target $12.00 Current $6.21	T - 10/02/2023 Outperform Target $12.00 Current $7.61
U - 08/03/2023 Outperform Target $12.00 Current $10.27	V - 08/02/2023 Outperform Target $12.00 Current $11.43
W - 05/10/2023 Outperform Target $12.00 Current $9.31	X - 05/04/2023 Outperform Target $12.00 Current $9.16
Y - 05/03/2023 Outperform Target $10.00 Current $8.76	Z - 03/08/2023 Outperform Target $10.00 Current $7.62
a - 03/07/2023 Outperform Target $10.00 Current $7.38	b - 01/23/2023 Outperform Target $10.00 Current $7.37
c - 12/01/2022 Outperform Target $10.00 Current $7.16	

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The Company has attended Noble investor conference(s) in the last 12 months.

Noble intends to seek compensation for investment banking services and non-investment banking services (securities and non-securities related) within the next 3 months.

Noble is not a market maker in the Company.

FUNDAMENTAL ASSESSMENT

The fundamental assessment rating system is designed to provide insights on the company's fundamentals both on a macro level, which incorporates a company's market opportunity and competitive position, and on a micro/company specific level. The micro/company specific attributes include operating & financial leverage, and corporate governance/management. The number of check marks that a company receives is designed to provide a quick reference and easy determination of the company's fundamentals based upon the following five attributes of the company (weighting reflects the importance of each attribute in the overall scoring of company’s fundamental analysis):

Attribute	Weighting
Corporate Governance/Management	20%
Market Opportunity Analysis	20%
Competitive Position	20%
Operating Leverage	20%
Financial Leverage	20%

For each attribute, the analysts score the company from a low of zero to a high of ten based upon the analysis described below. The final rating and resulting check marks is a result of dividing the overall score (out of 100%) by ten.

Rating	Score	Checks
Superior	9.1 to 10	Five Checks
Superior	8.1 to 9	Four & A Half Checks
Above Average	7.1 to 8	Four Checks
Above Average	6.1 to 7	Three & A Half Checks
Average	5.1 to 6	Three Checks
Average	4 to 5	Two & A Half Checks
Below Average	3 to 3.9	Two Checks
Below Average	2 to 2.9	One & A Half Checks
Low Quality	0 to 1.9	One Check

While these are the attributes currently used for the analyst's fundamental analysis, the attributes and weighting may be reviewed, updated with additional attributes, and/or changed in the future based on discussions with the analysts and recommendations from the Director of Research.

Following is the description of each attribute in the fundamental analysis.

Corporate Governance/Management

We believe that a review of corporate governance and assessment of the senior management are important tools to determine investment merit. Good corporate governance aligns management with the interests of stakeholders. As such, analysts are to rank the company on the basis of good corporate governance principles that may include rules and procedures, board composition and staggered term limits, rights and responsibilities, corporate objectives, monitoring of actions and policies, and accountability. In addition, analysts will assess issues with controlling shareholders and whether decisions have been made in the past that were in the interests of all shareholders. In addition, management will be assessed based on industry experience, expertise, and/or track record.

High ranking example: Board and management that is aligned with the interests of shareholders with incentives based on stock price appreciation and with an experienced management team known for exceptional shareholder returns.

Low ranking example: Concentrated ownership without independent directors that do not necessarily align with all shareholders' interests.

The Market Opportunity Analysis

In this review, the analyst assesses the company's macro environment as a measure of understanding the industry. Factors considered include the size and growth potential of the industry under various economic conditions, the emerging demands in the market, technological benefits/disruptions, competition, geographical opportunities, and customer demands/needs, and an assessment of supply and distribution channels. In addition, the analyst will review legal and regulatory trends, as well as potential shifts in consumer or social behavior and natural environment changes.

High rank example: A company in an industry that is growing revenues well above GDP rates (which are on average 2% plus) and/or may have unmet or under-served needs in a rapidly growing market opportunity.

Low rank example: A mature industry that is in secular decline and likely to grow below GDP rates.

Competitive Position

The evaluation of the company's competitive position is another macro environment attribute designed to measure the relevance, market share, position and value proposition, and sustainable differentiations of the company and its products/services within its industry. Ease of entry into the industry and the ability of other well-funded players to potentially enter the market would be determined. As such, the assessment would consider the company's strengths and advantages of its products/services against weaknesses and limitations. This may include the company's current brand awareness, pricing and cost structure, current market strategies and geographic penetration that may affect demand for its products/services. In addition, the company's competitors would be evaluated.

High rank example: An analyst would consider the company's product to be superior to its competitors and that should allow the company to gain market share.

Low rank example: A company with a "me-too" product that does not have any significant technology advantages in an industry that has low barriers to entry.

Operating Leverage

Simplistically, operating leverage is determined by the operating income relative to changes in revenue. The analyst will calculate the impact on sensitivity on gross margins and variable costs to determine operating leverage. The analyst will take into account the ability of the company to cut fixed and variable costs in a challenged revenue environment and technological changes that may impact operating expenses. In addition, the analyst is to assess corporate strategies that include capital investment, which may be required for sustainable revenue growth, marketing expenses, and the company's ability to attract and retain talent and/or employees. The analyst should focus on the revenue opportunity and determine the price elasticity of demand for the company's products or services. In other words, the analyst is to rank the company based on improved operating margins going forward on an absolute and relative basis.

High rank example: A company that has improving margins for the foreseeable future, with significant price elasticity.

Low rank example: A company that is in a challenged revenue environment with a fixed cost structure and limited ability to cut costs, indicating an outlook for declining margins.

Financial Leverage

A strict definition of financial leverage is total debt divided by total shareholder's equity. Financial leverage analysis is to determine the company's ability to improve shareholder value by means of utilizing its balance sheet to grow organically or to acquire assets. Analysts may look at the company's debt to cash flow leverage ratio, interest coverage ratios, or debt to equity ratios. In addition, the interest rate environment and the outlook for interest rates are a factor in determining the company's ability to manage financial leverage. Finally, the analyst is expected to determine the ability to service the debt given the industry and/or company profile, such as cyclicality, barriers to entry, history of bankruptcy, consistency in revenue and profit growth, or predictability in sales and profits and large cash reserves. The analyst is expected to take into account capital intensity of the company and the anticipated of capital allocation decisions.

High rank example: A company with predictable and growing revenue and cash flow with modest debt levels. This may indicate that the company could improve shareholder value through growth investments, including acquisitions, using debt financing.

Low rank example: A company in a cyclical industry in a late stage economic cycle that has above average debt leverage and is in an industry that has a history of financial challenges, including bankruptcies.

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FINRA licenses 6, 7, 24, 63, 86, 87.

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NOBLE RATINGS DEFINITIONS	% OF SECURITIES COVERED	% IB CLIENTS
Outperform: potential return is >15% above the current price	87%	14%
Market Perform: potential return is -15% to 15% of the current price	13%	5%
Underperform: potential return is >15% below the current price	0%	0%

NOTE: On August 20, 2018, Noble Capital Markets, Inc. changed the terminology of its ratings (as shown above) from "Buy" to "Outperform", from "Hold" to "Market Perform" and from "Sell" to "Underperform." The percentage relationships, as compared to current price (definitions), have remained the same.

Additional information is available upon request. Any recipient of this report that wishes further information regarding the subject company or the disclosure information mentioned herein, should contact Noble Capital Markets, Inc. by mail or phone.

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