Commercial Vehicle Group, Inc.
Form 424B5
March 18, 2010

Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-163276

Subject to Completion, dated March 18, 2010

Prospectus Supplement
(To Prospectus dated February 4, 2010)

3,800,000 Shares

COMMERCIAL VEHICLE GROUP, INC.

Common Stock

We are offering 3,800,000 shares of our common stock. Our common stock is traded on the NASDAQ Global Select Market under the symbol CVGI. On March 17, 2010, the last sale price of our common stock as reported on the NASDAQ Global Select Market was $6.82 per share.

Investing in our common stock involves risks that are described in the Risk Factors section beginning on page S-8 of this prospectus supplement.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$

The underwriter may also purchase up to an additional 570,000 shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about March , 2010.

Baird

The date of this prospectus supplement is March , 2010.

Table of Contents

Prospectus Supplement

Prospectus

You should rely only on the information contained or incorporated by reference to this prospectus supplement and the accompanying prospectus. Neither we nor the underwriter have authorized any other person to provide information different from that contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus is accurate as of the dates on their respective covers,

regardless of time of delivery of the prospectus and this prospectus supplement or any sale of securities. Our business, financial condition, results of operations and prospects may have changed since those dates.

Table of Contents

About This Prospectus Supplement

This prospectus supplement and the accompanying prospectus form part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. This document contains two parts. The first part consists of this prospectus supplement, which provides you with specific information about this offering. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined.

In this prospectus supplement, the Company, we, us, and our and similar terms refer to Commercial Vehicle Group Inc. and its direct and indirect subsidiaries on a consolidated basis. References to our common stock refer to the common stock of Commercial Vehicle Group, Inc.

This prospectus supplement includes a discussion of risk factors and other special considerations applicable to this particular offering of securities. This prospectus supplement, and the information incorporated herein by reference, may also add, update or change information in the accompanying prospectus. You should read both this prospectus supplement and the accompanying prospectus together with additional information described under the heading Where You Can Find More Information. If there is any inconsistency between the information in this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference to this prospectus supplement and the accompanying prospectus. Neither we nor the underwriter have authorized any other person to provide information different from that contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in the prospectus and this prospectus supplement is accurate as of the dates on their respective covers, regardless of time of delivery of the prospectus and this prospectus supplement or any sale of securities. Our business, financial condition, results of operations and prospects may have changed since those dates.

All references in this prospectus supplement to our consolidated financial statements include, unless the context indicates otherwise, the related notes. All foreign currencies are translated using the current exchange rate for assets and liabilities and the weighted average exchange rate for the period for the consolidated statement of operations items.

The industry and market data and other statistical information contained in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference are based on management s own estimates, independent publications, government publications, reports by market research firms or other published independent sources, and, in each case, are believed by management to be reasonable estimates. Although we believe these sources are reliable, we have not independently verified the information. None of the independent industry publications used in this prospectus supplement, the accompanying prospectus or the documents we incorporate by reference were prepared on our or our affiliates behalf and none of the sources cited by us consented to the inclusion of any data from its reports, nor have we sought their consent.

Cautionary Statement About Forward Looking Information

Certain information set forth in this prospectus supplement, in the accompanying prospectus and incorporated by reference in this prospectus supplement may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). The words believes, projects, anticipates, plans, expects, intends, similar expressions, as well as future or conditional verbs such as will, should, would, and could, are intended to identify forward-looking statements. These forward-looking statements represent management s current reasonable expectations and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We cannot guarantee the accuracy of the forward-looking statements, and you should be aware that results and events could differ materially and adversely from those contained in the forward-looking statements due to a number of factors, including:

n the impact of covenants in our revolving credit facility and second lien term loan and the indentures governing our third lien notes and 8% senior notes on our current and future operations;

n the impact of our substantial indebtedness on our cash flow and operations and our ability to remain in compliance with debt covenants;

n our ability to generate cash or refinance or restructure our indebtedness before it comes due;

n the impact of volatility and cyclicality in the commercial vehicle market;

- the impact of current and future global economic conditions and disruptions in the credit and financial markets;
- the impact of lower than expected production volumes for our customers vehicles;
- our ability to successfully implement our business strategy or to complete additional strategic acquisitions;
- our ability to obtain raw materials at favorable prices;
- the impact of labor strikes, work stoppages and other matters;
- our ability to comply with environmental and safety regulations in multiple jurisdictions;
- the impact of government regulations on our OEM customers;
- the impact of a loss of a key customer or the discontinuation of particular commercial vehicle platforms;
- the impact of currency fluctuations and other uncertainties related to our foreign operations;
- our ability to compete effectively in our highly competitive industry;
- the impact of changes in competitive technologies;
- our ability to recruit and retain skilled personnel and key management;
- the impact of infringement on our intellectual property rights or the claim by a third party of our infringement on their proprietary rights;
- the impact of product liability claims, recalls or warranty claims;
- the impact of equipment failures, delays in deliveries or catastrophic loss at any of our facilities;
- our ability to successfully execute planned cost reductions, restructuring initiatives or the achievement of operational efficiencies;
- the impact in changes to the carrying values of our tangible and intangible assets as a result of recording any impairment charges;
- our major OEM customers may exert significant influence over us;
- the volatility of the market price of our common stock;
- certain provisions in our charter documents that could discourage potential acquisitions or delay, deter or prevent a change in control;
- the broad discretion of our management in allocating the net proceeds of this offering;
- the limited number of shares available for issuance after this offering; and

- other risks and uncertainties described from time to time in our reports filed with the SEC, which are incorporated by reference.

We urge you to consider these factors and to review carefully the section captioned Risk Factors in this prospectus supplement, as well as the other factors described in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, for a more complete discussion of the risks associated with an investment in our common stock. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. The forward-looking statements included in this prospectus supplement and the accompanying prospectus are made only as of their respective dates, and we undertake no obligation to update these statements to reflect subsequent events or circumstances.

Summary

The information below is only a summary of more detailed information included elsewhere in or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary may not contain all the information that is important to you or that you should consider before making a decision to invest in our common stock. Please read this entire prospectus supplement and the accompanying prospectus, including the risk factors, as well as the information incorporated by reference in this prospectus supplement and the accompanying prospectus, carefully. Unless the context otherwise indicates, the terms Company, we, us, and our and similar terms refer to Commercial Vehicle Group, Inc. and its direct and indirect subsidiaries on a consolidated basis. References to our common stock refer to the common stock of Commercial Vehicle Group, Inc.

Our Company

We are a leading supplier of fully integrated system solutions for the global commercial vehicle market, including the heavy-duty truck market, the construction and agriculture markets and the specialty and military transportation markets. Our products include static and suspension seat systems, electronic wire harness assemblies, controls and switches, cab structures and components, interior trim systems (including instrument panels, door panels, headliners, cabinetry and floor systems), mirrors and wiper systems specifically designed for applications in commercial vehicles.

We are differentiated from suppliers to the automotive industry by our ability to manufacture low volume customized products on a sequenced basis to meet the requirements of our customers. We believe that we have the number one or two position in several of our major markets and that we are one of the only suppliers in the North American commercial vehicle market that can offer complete cab systems, including cab body assemblies, sleeper boxes, seats, interior trim, flooring, wire harnesses, panel assemblies and other structural components. We believe our products are used by virtually every major North American commercial vehicle original equipment manufacturer (OEM), which we believe creates an opportunity to cross-sell our products and offer a fully integrated system solution.

Demand for our products is generally dependent on the number of new commercial vehicles manufactured, which in turn is a function of general economic conditions, interest rates, changes in governmental regulations, consumer spending, fuel costs and our customers inventory levels and production rates.

New commercial vehicle demand in the North American Class 8 truck market has historically been cyclical and is particularly sensitive to the industrial sector of the economy, which generates a significant portion of the freight tonnage hauled by commercial vehicles. Production of Class 8 heavy trucks in North America initially peaked in 1999 and experienced a downturn from 2000 to 2003 that was due to a weak economy, an oversupply of new and used vehicle inventory and lower spending on commercial vehicles and equipment. Demand for commercial vehicles improved from 2004 to 2006 due to broad economic recovery in North America, corresponding growth in the movement of goods, the growing need to replace aging truck fleets and OEMs receiving larger than expected pre-orders in anticipation of the new EPA emissions standards becoming effective in 2007. During 2007, the demand for North American Class 8 heavy trucks experienced a downturn as a result of pre-orders in 2006 and weakness in the North American economy and corresponding decline in the need for commercial vehicles to haul freight tonnage in North America. The demand for new heavy truck commercial vehicles in 2008 was similar to 2007 levels as weakness in the overall North American economy continued to impact production related orders. We believe this general weakness has contributed to the reluctance of trucking companies to invest in new truck fleets. In addition, the recent tightening of credit in financial markets may adversely affect the ability of our customers to obtain financing for significant truck orders. North American Class 8 production levels in 2009 were down approximately 42% over the same period in 2008 as the overall weakness in the North American economy and credit markets continue to put pressure on the demand for new vehicles. If the sustained downturn in the economy and the disruption in the financial markets continue, we expect that low demand for Class 8 trucks could continue to have a negative impact on our revenues, operating results and financial position.

New commercial vehicle demand in the global construction equipment market generally follows certain economic conditions around the world. Within the construction market, there are two classes of construction equipment, the medium/heavy equipment market (weighing over 12 metric tons) and the light construction equipment market (weighing below 12 metric tons). Demand in the medium/heavy construction equipment market is typically related to the level of larger scale infrastructure development projects such as highways, dams, harbors, hospitals, airports and industrial development as well as activity in the mining, forestry and other raw material based industries. Demand in the light construction equipment market is typically related to certain economic conditions such as the level of housing construction and other smaller-scale developments and projects. Our products are primarily used in the medium/heavy construction equipment markets. Demand in the construction equipment market in 2009 has declined significantly from 2008 as a result of the continuing economic downturn in the housing and financial markets. If the downturn in the global economy and the disruption in the financial markets continue, we expect that low demand for construction equipment could continue to have a negative impact on our revenues, operating results and financial position.

Table of Contents

Competitive Strengths

We believe that our competitive strengths include, but are not limited to, the following:

Leading Market Positions and Brands. We believe that we are the leading supplier of seating systems and soft interior trim products, one of the only non-captive manufacturers of Class 8 truck body systems (which includes cab body assemblies) for the North American commercial vehicle heavy-truck market and one of the largest global suppliers of construction vehicle seating systems. Our products are marketed under brand names that are well known by our customers and truck fleet operators based upon the amount of revenue we derive from sales to these markets. These brands include KAB Seating, National Seating, Sprague Devices®, Prutsman™, Moto Mirror®, RoadWatch®, Road Scan and ComforTEK™.

Comprehensive Cab Product and Cab System Solutions. We believe that we offer the broadest product range of any commercial vehicle cab supplier. We manufacture a broad base of products, many of which are critical to the interior and exterior subsystems of a commercial vehicle cab. We also utilize a variety of different processes, such as urethane molding, injection molding, large composite molding, thermoforming and vacuum forming that enable us to meet each customer s unique styling and cost requirements. The breadth of our product offering enables us to provide a one-stop shop for our customers, which provides us with a substantial opportunity for further customer penetration through cross-selling initiatives and by bundling our products to provide complete system solutions.

End-User Focused Product Innovation. We believe that commercial vehicle market OEMs continue to focus on interior and exterior product design, comfort and features to better serve their end user, the operator, and our customers are seeking suppliers that can provide product innovation. We have a full service engineering and research and development organization to assist OEMs in meeting their needs which helps enable us to secure content on current platforms and models.

Flexible Manufacturing Capabilities. Because commercial vehicle OEMs permit their customers to select from an extensive menu of cab options, our customers frequently request modified products in low volumes within a limited time frame. We have a highly variable cost structure and can efficiently leverage our flexible manufacturing capabilities to provide low volume, customized products to meet each customer s styling, cost and just-in-time delivery requirements. We manufacture or assemble our products at facilities in North America, Europe, China and Australia.

Global Capabilities. Because many of our customers manufacture and sell their products on a global basis, we believe we have a strong competitive advantage by having dedicated sales, engineering, manufacturing and assembly capabilities on a global basis. We have these capabilities to support our customers in North America, Europe, China and Australia.

Strong Relationships with Leading Customers and Major Fleets. Because of our comprehensive product offerings, brand names and innovative product features, we believe we are an important long-term global supplier to many of the leading heavy-truck, construction and specialty commercial vehicle manufacturers such as International (Navistar), PACCAR, Caterpillar, Daimler Trucks, Volvo/Mack, Oshkosh Corporation, Komatsu, MAN and Deere & Co. In addition, through our sales force and engineering teams, we maintain active relationships with the major heavy-duty truck fleet organizations that are end users of our products such as Yellow Roadway Corp., Swift Transportation, Schneider National and Ryder Leasing. As a result of our high-quality, innovative products, well-recognized brand names and customer service, a majority of the largest 100 fleet operators specifically request certain of our products.

Significant Barriers to Entry. We believe we are a leader in providing system solutions and products to long running platforms. Considerable barriers to entry exist, including significant investment and engineering requirements, stringent technical and manufacturing requirements, high transition costs for OEMs to shift production to new suppliers, just-in-time delivery requirements and strong brand name recognition.

Proven Management Team. Our management team is highly respected within the commercial vehicle market, and our six executive officers have a combined average of 30 years of experience in the industry. We believe that our team has substantial depth in critical operational areas and has demonstrated success in reducing costs, integrating business acquisitions, improving processes through cyclical periods and revenue expansion through product, market and customer diversification.

Business Strategy

Our primary growth strategies are as follows:

Increase Content, Expand Customer Penetration and Leverage System Opportunities. We believe we are one of the only integrated commercial vehicle suppliers that can offer complete cab systems. We are focused on securing additional sales from our existing customer base, and we actively cross-market a diverse portfolio of products to our customers to increase our content on the cabs manufactured by these OEMs. These products include static and suspension seat systems, electronic wire harness assemblies, controls and switches, interior trim systems (including instrument panels, door panels, headliners, cabinetry and floor systems), mirrors and wiper systems specifically designed for applications in commercial vehicles. We have established operations in North America, Europe, Asia and Australia and are aggressively working to secure new business from both existing and new customers on a global basis.

Leverage Our New Product Development Capabilities. We continue to invest in our engineering and research and development capabilities so that we can meet the evolving demands of our customers and end users. As an example, we have recently launched a Green concept flooring product that addresses the truck idling concerns by improving temperature retention within the cab, thus reducing the need for idling which conserves fuel. In addition, this new flooring, marketed as ComforTEK^{tm}, for the aftermarket is manufactured using recycled materials. We believe we will continue to design and develop new products that add or improve content and increase cab comfort and safety.

Capitalize on Operating Leverage. We continuously seek ways to lower costs, enhance product quality, improve manufacturing efficiencies and increase product throughput and we continue to utilize our Lean Manufacturing and Total Quality Production Systems program philosophy. We believe our ongoing cost saving initiatives, supplier consolidation and sourcing efforts will enable us to continue to lower our manufacturing costs. As a result, we believe we are well positioned to improve our operating margins and capitalize on any volume increases with minimal additional capital expenditures.

Grow Sales to the Aftermarket. While commercial vehicles have a relatively long life, certain components, such as seats, wipers and mirrors, are replaced more frequently. We believe this provides increased opportunities for our aftermarket products as the number of vehicles in operation increases, along with the growing average age of vehicles and the number of miles driven per vehicle. We believe that there are opportunities to leverage our brand recognition to increase our sales to the replacement aftermarket.

Pursue Strategic Acquisitions and Continue to Diversify Revenues. We may selectively pursue complementary strategic acquisitions that allow us to leverage the marketing, engineering and manufacturing strengths of our business and expand our revenues to new and existing customers. The markets in which we operate are fragmented and provide for consolidation opportunities. Our acquisitions have enabled us to become a global supplier with the capability to offer complete cab systems in sequence, integrating interior trim and seats with the cab structure, to provide integrated electronic systems into our cab products and to expand the breadth of our interior systems capabilities. In addition, these acquisitions have allowed us to diversify our revenue base by customer, market, location or product offering.

Corporate Information

Our principal executive offices are located at 7800 Walton Parkway, New Albany, Ohio 43054, and our telephone number is (614) 289-5360. Our website address is www.cvgrp.com. The information contained on our website is not part of this prospectus supplement or the accompanying prospectus.

Table of Contents

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, each of which has been incorporated by reference into this prospectus supplement and the accompanying prospectus.

(Dollars in thousands, except share and per share data)	Years Ended December 31,				
	2009	**2008**	**2007**	**2006**	**2005**
Statement of Operations Data[1]:					
Revenues	$ 458,569	$ 763,489	$ 696,786	$ 918,751	$ 754,481
Cost of revenues	448,912	689,284	620,145	768,913	620,031
Gross profit	9,657	74,205	76,641	149,838	134,450
Selling, general and administrative expenses	47,874	62,764	55,493	51,950	44,564
Amortization expense	389	1,379	894	414	358
Gain on sale of long-lived asset		(6,075)			
Goodwill and intangible asset impairment	30,135	207,531			
Long-lived asset impairment	17,272				
Restructuring charges	3,651		1,433		
Operating (loss) income	(89,664)	(191,394)	18,821	97,474	89,528
Other (expense) income	(11,119)	13,945	9,361	(3,468)	(3,741)
Interest expense	15,133	15,389	14,147	14,829	13,195
Loss on early extinguishment of debt	1,254		149	318	1,525
Expense relating to debt exchange	2,902				
(Loss) income before income taxes	(97,834)	(220,728)	(4,836)	85,795	78,549
(Benefit) provision for income taxes	(16,299)	(13,969)	(1,585)	27,745	29,138
Net (loss) income	$ (81,535)	$ (206,759)	$ (3,251)	$ 58,050	$ 49,411
(Loss) earnings per share:					
Basic	$ (3.74)	$ (9.58)	$ (0.15)	$ 2.74	$ 2.54
Diluted	(3.74)	(9.58)	(0.15)	2.69	2.51
Weighted average common shares outstanding:					
Basic	21,811	21,579	21,439	21,151	19,440
Diluted	21,811	21,579	21,439	21,545	19,697
Balance Sheet Data (at end of each period):					
Working capital (current assets less current liabilities)	$ 75,785	$ 87,669	$ 117,172	$ 135,368	$ 119,104
Total assets	250,509	354,761	599,089	590,822	543,883
Total liabilities, excluding debt	125,630	145,924	174,029	163,803	150,797
Total debt	162,644	164,895	159,725	162,114	191,009
Total stockholders (deficit) investment	(37,765)	43,942	265,335	264,905	202,077

Other Data:					
Net cash provided by (used in):					
Operating activities	$ 18,181	$ 9,743	$ 47,575	$ 36,922	$ 44,156
Investing activities	(7,745)	(10,134)	(53,292)	(27,625)	(188,569)
Financing activities	(5,616)	5,043	(2,394)	(27,952)	188,547
Depreciation and amortization	16,667	19,062	16,425	14,983	12,064
Capital expenditures, net	6,140	12,523	17,274	22,389	20,669
North American heavy-duty (Class 8) truck production (units)(2)	118,000	206,000	212,000	376,000	339,000

(1) Collectively, our acquisitions of Mayflower Vehicle Systems, Inc., Monona Holdings LLC and Cabarrus Plastics, Inc. in 2005, our acquisition of C.I.E.B Kahovec Spol. s.r.o. in 2006 and our acquisition of PEKM Kabeltechnik s.r.o., Gage Industries, Inc. and Short Bark Industries, LLC in 2007 materially impacted our results of operations and as a result, our consolidated financial statements for the years ended December 31, 2009, 2008 and 2007 are not comparable to the results of the prior periods presented without consideration of the information provided in Note 3 to our consolidated financial statements contained in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2005, Note 3 to our consolidated financial statements contained in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2006, Note 3 to our consolidated financial statements contained in Items 8 of our Annual Report on Form 10-K for the year ended December 31, 2007 and Note 3 to our consolidated financial statements contained in Item 8 of our Annual Report on Form 10-K/A for the year ended December 31, 2008.

(2) Source: ACT N.A. Commercial Vehicle OUTLOOK (March 2010).