



Delivering. The Road Ahead.

Craig-Hallum Conference June 1, 2022



Forward-Looking Statement

This presentation contains information, including our revenue and earnings guidance, all other information provided with respect to our outlook for 2022 and future periods, and other statements concerning our business, strategic position, financial projections, financial strength, future plans, objectives, and the performance of our products and operations that may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using words such as “believe,” “expect,” “intend,” “potential,” “future,” “may,” “will,” “should,” and similar expressions or by using future dates in connection with any discussion of, among other things, the construction or operation of new or existing facilities, operating performance, trends, events or developments that we expect or anticipate will occur in the future, statements relating to volume changes, share of sales and earnings per share changes, anticipated cost savings, potential capital and operational cash improvements, anticipated disruptions to our operations and industry due to the COVID-19 pandemic, changes in supply and demand conditions and prices for our products, trade duties and other aspects of trade policy, statements regarding our future strategies, products and innovations, and statements expressing general views about future operating results. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements are not historical facts, but instead represent only the Company’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company’s control. It is possible that the Company’s actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company’s historical experience and our present expectations or projections. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the Company’s historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, the risks and uncertainties described in “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021, and those described from time to time in our future reports filed with the Securities and Exchange Commission (SEC), which are available at www.sec.gov or our website. All forward-looking statements in this presentation are qualified by this paragraph. Investors should not place undue reliance on forward-looking statements as a prediction of actual results. We undertake no obligation to publicly update or revise any forward-looking statements in this presentation, whether as a result of new information, future events, or otherwise.

The financial results included within this presentation are from continuing operations unless otherwise noted.



The Shyft Group

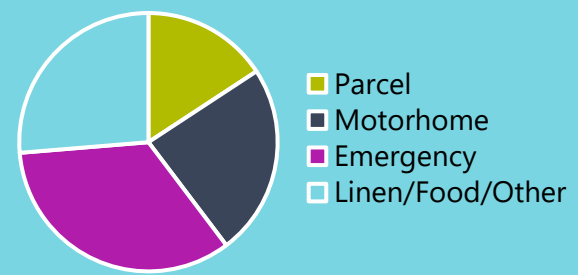
We design, engineer, manufacture and service purpose-built specialty vehicles and chassis

2015*



\$105M Market Cap
\$3.11 Share Price

\$550M Sales



2.0% Adj. EBITDA

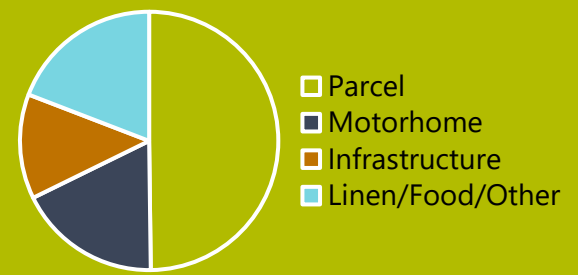
**Includes operations discontinued in 2020*

2021



\$1.3B Market Cap
\$36.11 Share Price*

\$992M Sales



10.9% Adj. EBITDA

**As of 03.31.22*

A Transformative Growth Story

Shifted focus to higher growth segments of Last Mile Delivery and Infrastructure

Deployed over \$100M toward M&A on 4 strategic transactions

Focused on lean initiatives across factories

Built out footprint
Coast-to-coast flexible manufacturing

Strengthened management team to support accelerated growth

9.5X

TSR
vs. peers
since 2015

Leadership Operations

QUICK STATS & DRIVERS

- 125+ years of combined executive leadership
- “One-team” mentality
- Culture of accountability and ownership
- Mantra of “no surprises”
- Solution and proactive based mindset

SHARED SKILL SETS

- Big-company DNA with growth experience
- Blended automotive and non-automotive experience
- Lean manufacturing expertise
- Successful M&A activity
- Progressive experience



Daryl Adams
President & CEO



Todd Heavin
COO



Jon Douyard
CFO



Chad Heminover
President, Fleet Vehicles &
Services



Steve Guillaume
President, Specialty
Vehicles

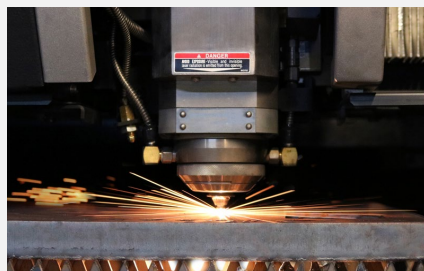
Four Strategic Objectives to Drive Shareholder Value

Customer focused innovation to drive growth



Organic Growth

- Product innovation
- Geographic expansion



Operational Excellence

- Lean initiatives
- Automation



Strategic Acquisitions

- Bolt-on / new product
- Leverage cost structure



Product Innovations

- Blue Arc Brand
- New technologies

Together with focused ESG effort



- Employee health and safety
- Continuous improvement
 - Energy efficient processes
 - Waste / water management
- Investment in electric vehicle portfolio



- Diversity, equity and inclusion
- Community and stakeholder engagement
- Signatory to UN Global Compact on Human Rights

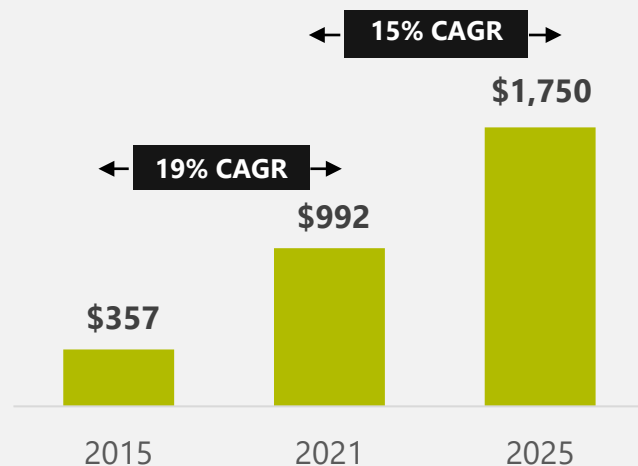


- Robust ethics, compliance and governance policies and practices
- Transparency, reporting and accountability

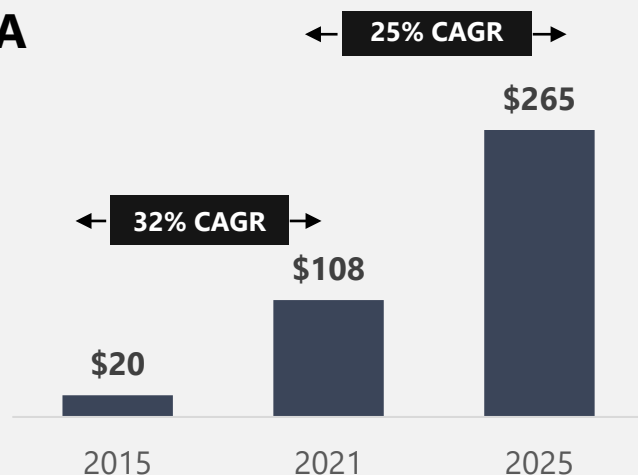


The Road Ahead

Revenue *(in millions)*



Adjusted EBITDA *(in millions)*



2025 Financial Objectives

Revenue **\$1.75B**

Adj. EBITDA Margin **15%**

Organic Growth

- Product innovation
- Geographic expansion

Operation Excellence

- Lean initiatives
- Automation

Strategic Acquisitions

- Product innovation
- Geographic expansion

Product Innovations

- New technologies

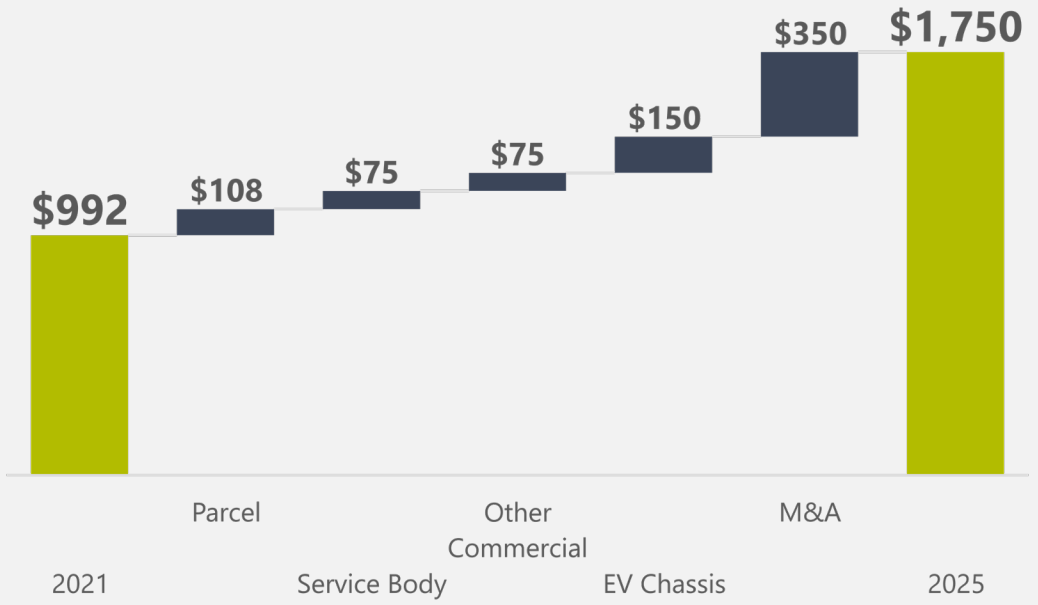


2025 Roadmap

Investments in new products and technologies, including EV platforms, to drive future growth

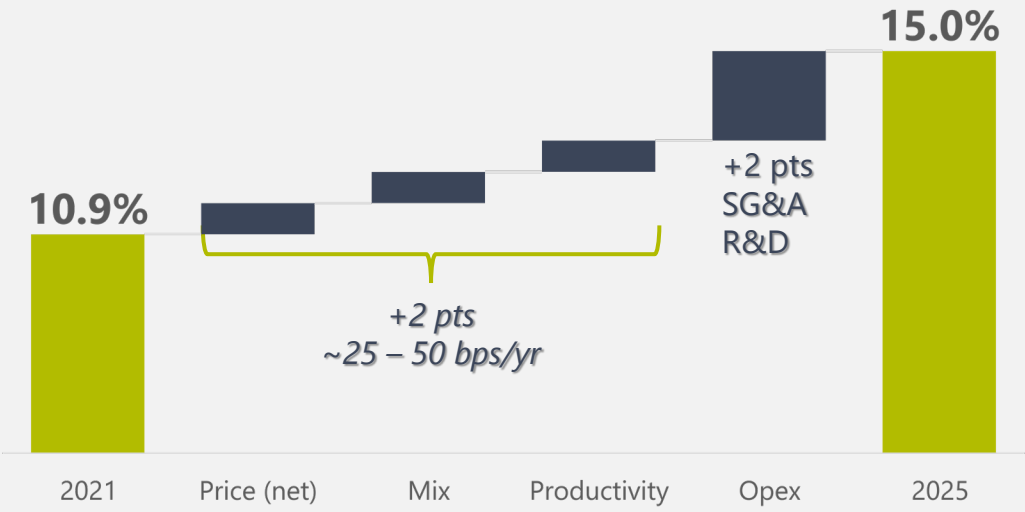
2025 Revenue Roadmap

(in millions)



2025 Adjusted EBITDA Roadmap

(% of sales)





Fleet Vehicle & Services

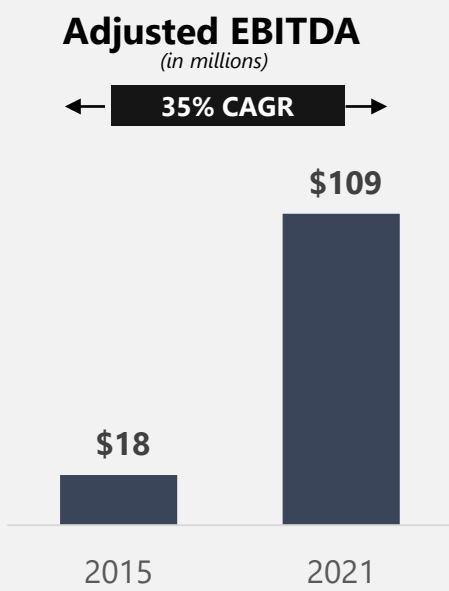
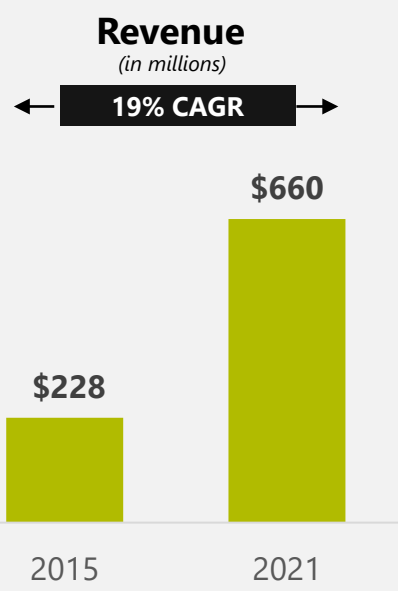




Fleet Vehicles and Services

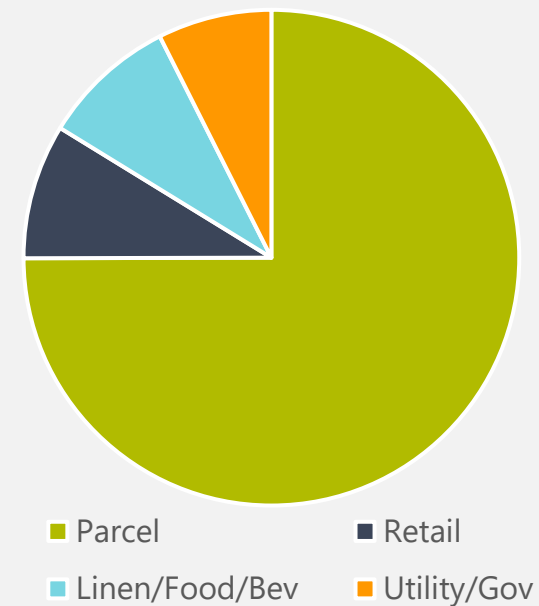
North American leader in purpose-built delivery vehicle solutions

\$660M in 2021 Sales
66% of Shyft Group



Total Addressable Market
\$3.2B

Revenue By End Market



Growth Drivers

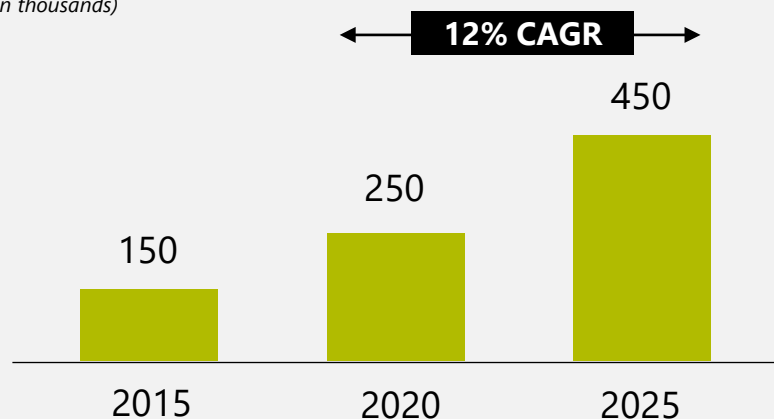
- Parcel delivery
- Replacement cycle
- Breadth of innovative products
- One-stop shop
- EV adoption



Parcel Delivery Growth Clear through 2025

Major Carrier Fleet Size*

(Units in thousands)



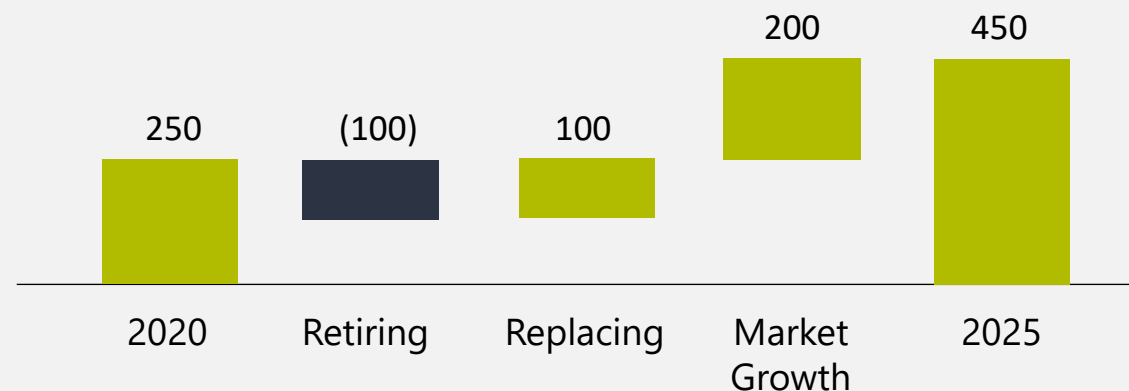
Parcel Outlook

- U.S. package volume to increase to ~31B packages by 2025 – a 7-10% CAGR
- COVID-19 accelerated shift to e-commerce by 2-3 years
- Alternative delivery tech not expected to become significant competition

*Estimated amounts and includes only walk-in-vans and cargo vans and excludes USPS. Source: Third party commissioned study.

Fleet Vehicle Demand Sources

(Units in thousands)













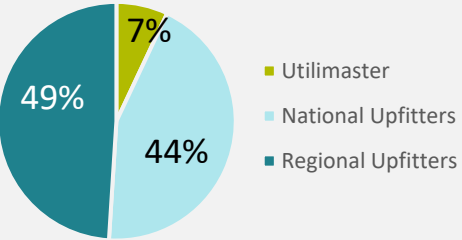
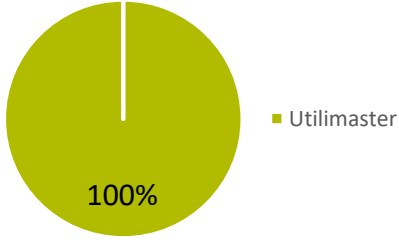
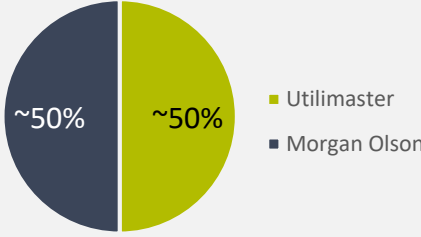
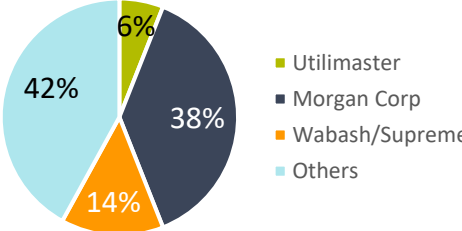


Utilimaster: Industry Leader in Parcel

- WIVs remain unmatched in cargo capacity, durability, and efficiency
- Well positioned ship-thru upfitting business provides good exposure to growth in cargo vans
- Large installed base and long-standing customer relationships



Industry Leading Breadth of Product

	Cargo Van Upfit	"Velocity"	Traditional Walk in Van	Truck Body
				
	Class 1 & 2   GVWR 6,000 - 10,000 lbs.	Class 2 & 3   GVWR 9,350 - 12,125 lbs.	Class 4 & 5   GVWR 16,000 - 19,500 lbs.	Class 6 & 7   GVWR 26,000 - 33,000 lbs.
Vehicle Life	3 – 7 years	5 – 7 years	15 – 20 years	7 – 10 years
Est. Annual Units*	500,000	15,000	35,000	80,000
Share				
TAM	\$1.2B TAM		\$2.0B TAM	

 Available in EV, CNG, and propane propulsion technologies  Available in refrigeration

*Source: 2020 SpecialtyTransportation.net Reports and management estimates

Customer-Focused Culture of Innovation

Work-Driven Design[®] = The Utilimaster Difference



Competitive Advantage across Vocations



Utility
WIV | TB

ConEd | SDG&E | LAPW
Consumers Power | COM Ed



Food & Beverage
WIV | TB

Coca-Cola | Frito Lay
Bimbo | Sara Lee



Parcel
WIV | TB | Upfit

UPS | FedEx | USPS |
Purolator Speedy | Canada
Post | Canpar



Linen & Laundry
WIV | TB

Cintas | Aramark
Virginia Linen | Ziker |
CTS



Retail
WIV | TB | Upfit

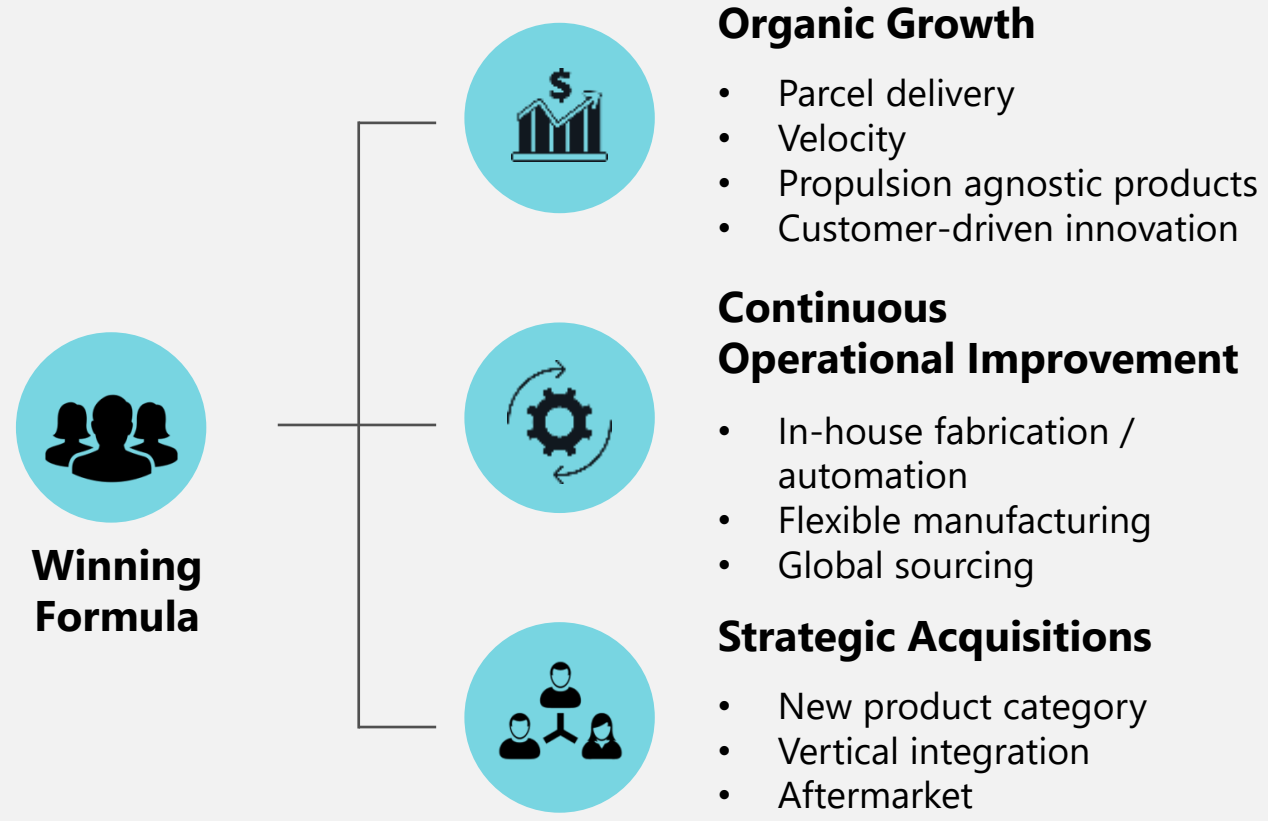
Sysco | Starbucks | Walmart
GFS | Compass



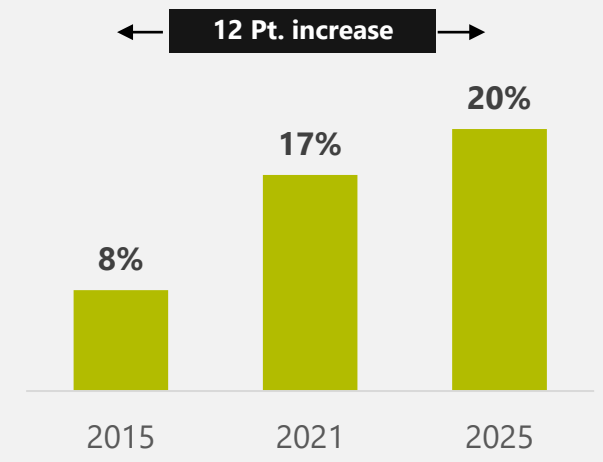
Government
WIV | TB | Upfit

GSA | Military | State
US Customs/Border
Protection

The Road Ahead



Adjusted EBITDA ~20%



Specialty Vehicles



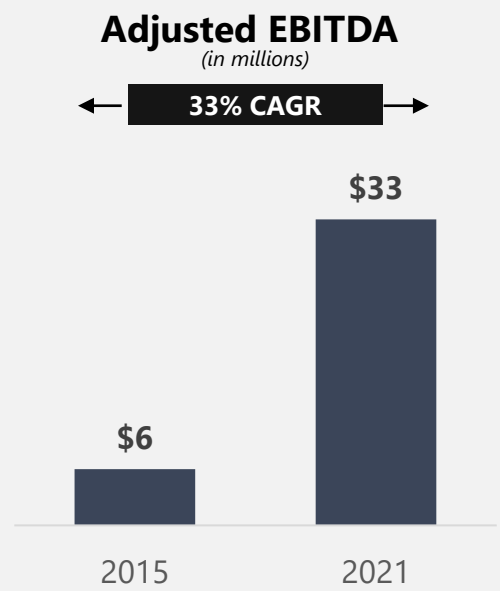
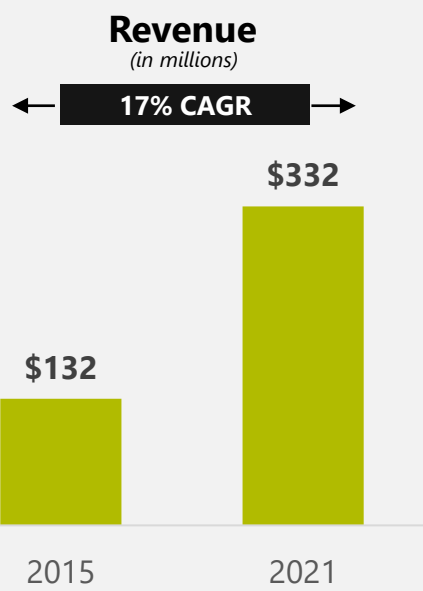


Specialty Vehicles

North American leader in service vehicle and specialty chassis manufacturing

\$332M in 2021 Sales

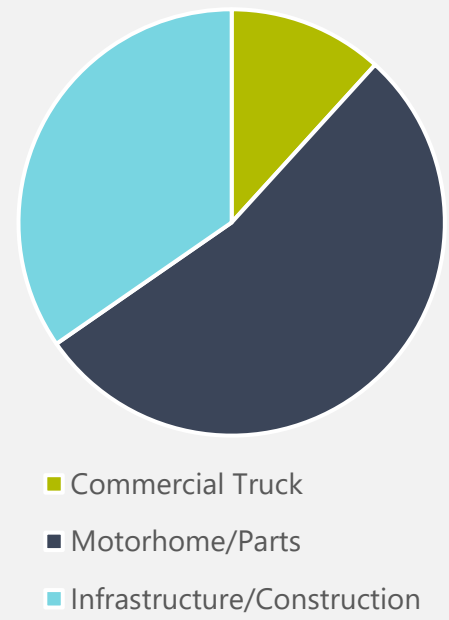
34% of Shyft Group



Total Addressable Market

\$1.9B*

Revenue By End Market



Growth Drivers

- U.S. infrastructure spend
- Consumer confidence (RV)
- GDP growth
- Innovation / content
- Residential and commercial construction
- EV adoption

*Source: 2020 SpecialtyTransportation.net, Statistical Surveys, Polk and management estimates

Industry Leading Service Bodies

Service Bodies (TAM \$960M)



Product

Next Generation Steel and Aluminum Body

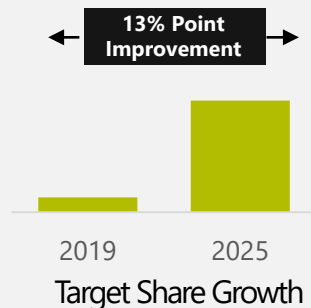
Class 2 - 5 up to 19,500 lbs GVWR

Brands

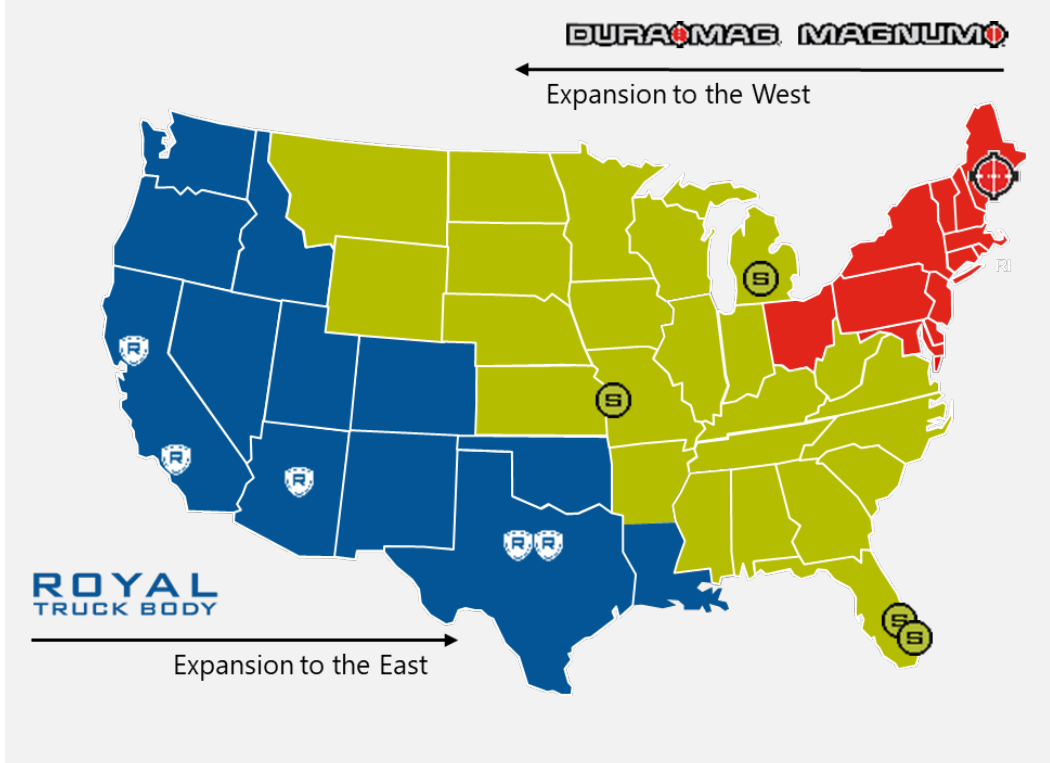


Growth Drivers

- National expansion (East & West)
- Cross-pollination of DuraMag & RTB products
- Added ship-through and branch locations
- U.S. infrastructure initiative



Building a National Service Body Brand



Target – Double business by 2025 (Sales \$100M)

Industry Leading Specialty Brands

RV Chassis (TAM \$800M)

Builtmore (TAM \$90M)



Product

Premier Class A Diesel Foundation
with best-in-class product technology



EV
Contract Mfg.

N-Gas
GWR 14,000 lbs.

F-Series
GWR 26,000 lbs.

Partners

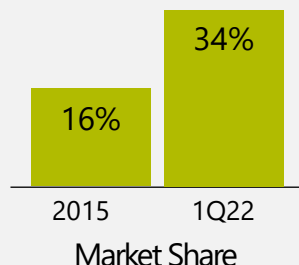


Full Portfolio of Class 3-7

ISUZU

Growth Drivers

- Proven ability to gain market share through innovation and platform expansion
- Strong customer demand driven by aging population and post-COVID travel
- Continued operational focus

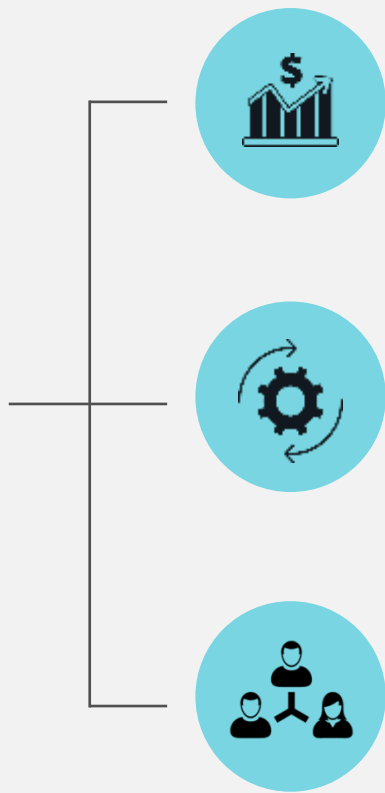


- 3 new EV contract manufacturing projects in process
- Expand offerings as Isuzu 'Supplier of Choice'
 - Class 5 Q1 2021
 - Class 7 Q3 2021
- Launched new modification center in 2020 - \$1M+ revenue potential with strong growth opportunity

The Road Ahead



Winning Formula



Organic Growth

- Innovation
- Product expansion
- Lifecycle customer value

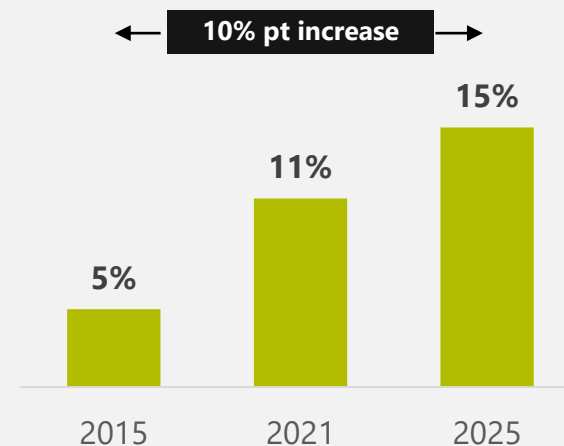
Continuous Operational Improvement

- In-house fabrication / automation
- Lean manufacturing
- Capital enhancements

Strategic Acquisitions

- Consolidate fragmented markets
- Product portfolio expansion
- National expansion - market penetration

Adjusted EBITDA ~15%



Commercial Grade EV Solutions



Electric Vehicle Landscape is Changing

Governmental and company "green" mandates driving EV adoption

Customers are looking for an OEM purpose-built EV chassis



Over 50% of global light and medium duty vehicles sales will be EV by 2040*

\$16B TAM Class 3, 4 & 5 vehicles for North America

Shyft expertise second to none

- Specialty vehicle chassis for 46 years
- Alternative propulsion vehicles for 17 years
- Electric vehicles for 9 years

Hybrid vehicles	1,200 units
CNG vehicles	800 units
Propane vehicles	11 units
Electric vehicles	583 units
Total	2,600+ units

*Source: BloombergNEF 2020 EVO and management's estimates. Light duty commercial vehicles include last-mile and distribution vehicles weighing less than 3.5 tons. Medium duty commercial vehicles refer to freight and distribution vehicles weighing between 3.5-15 tons.

Shyft Electric Vehicle Chassis

Customers are looking for an OEM purpose-built EV chassis

Performance Specifications

Purpose-Built Flat Modular Solution

- Medium-duty chassis
- 5,000 lb. payload
- Two wheel-base lengths

Battery specifications

- 120-240 kWh packs (Li-ion-NMC)
- 150-175 mile range @ 50% payload
- Charge time of 2-6 hrs

Performance

- Top Speed adjustable/programmable 55-75 mph
- 10-year life cycle
- 6-year / 175,000-mile battery warranty

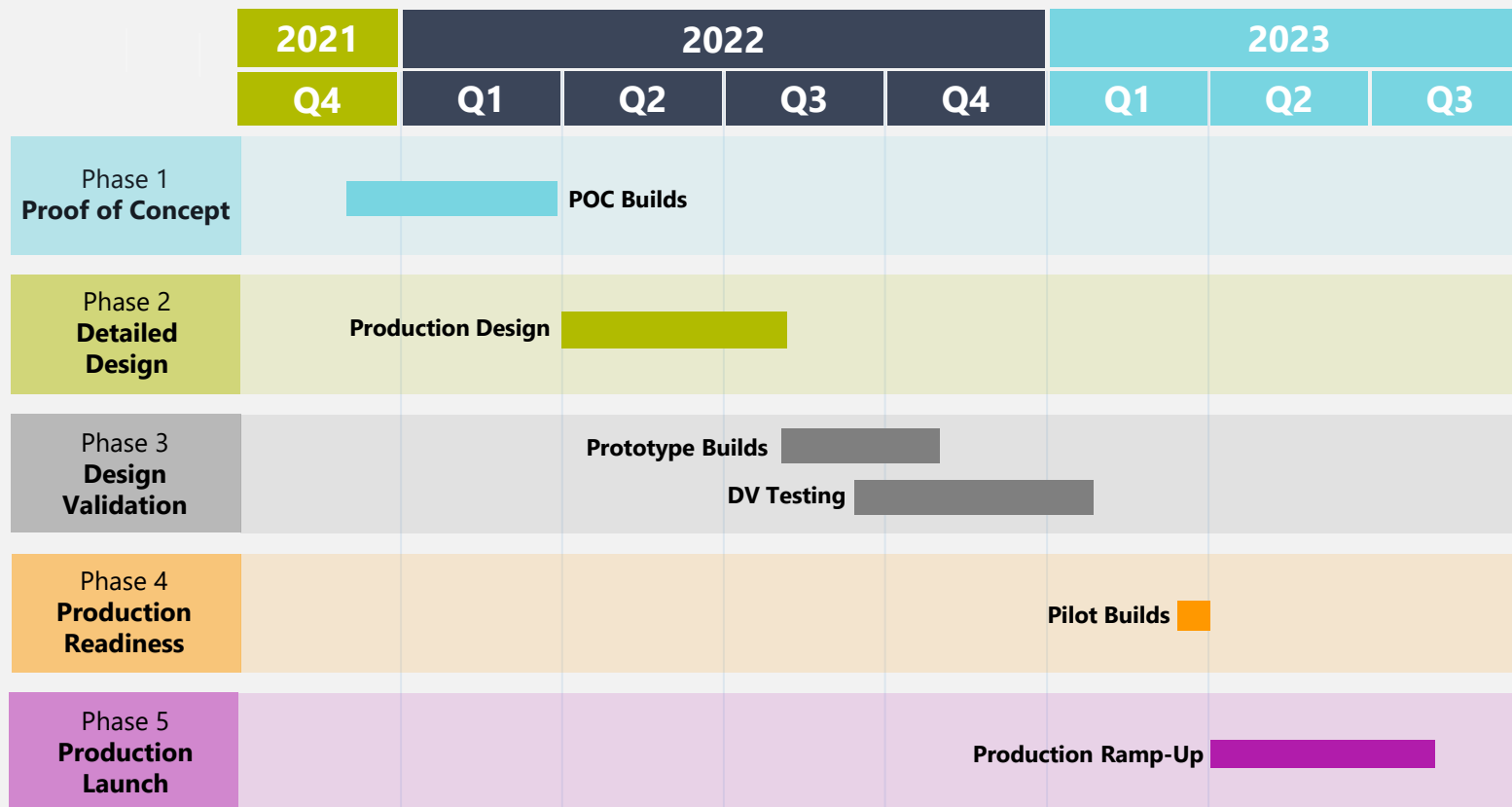


Optimized Flat Modular Design

- Vehicle class and application agnostic
- Cost-effective customization
- Software-enabled platform and integration

Program Timeline and Manufacturing Plan

Total investment for the program is estimated to be between \$50-75 million



- Leverage Shyft's experienced chassis team
- Leverage industry EV supply base and integrate proven components
- Leverage deep knowledge of product and service delivery needs

Power Cube™ Charging Solution

Garnering high interest beyond last mile delivery for a multitude of applications

Leveraging battery technology, solar power and wind energy, the Power Cube™ is the first truly portable, customizable, commercial-grade EV charger

- Power Cube™ can have vehicles up and running in as little as two hours
- Self-sustaining system can charge between 5 and 30 vehicles each day
- Liquid cooled lithium-ion battery packs to deliver best battery performance and longevity
- Remote monitoring, safety, and security support





The Road Ahead.





Appendix



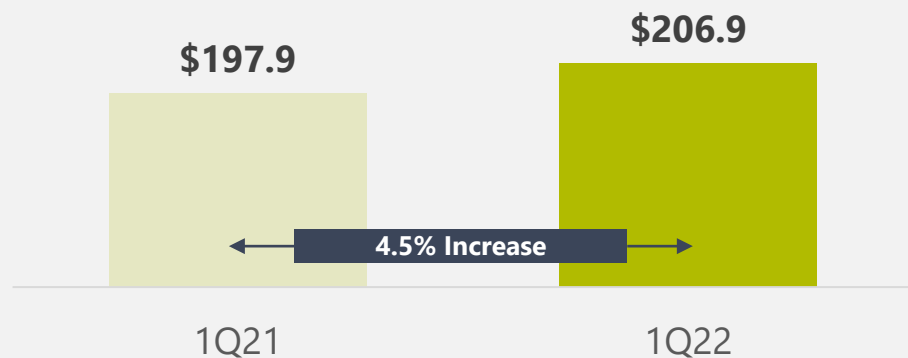


Shyft Financial Summary – 1Q22

Continued long term confidence despite challenging quarter

Revenue

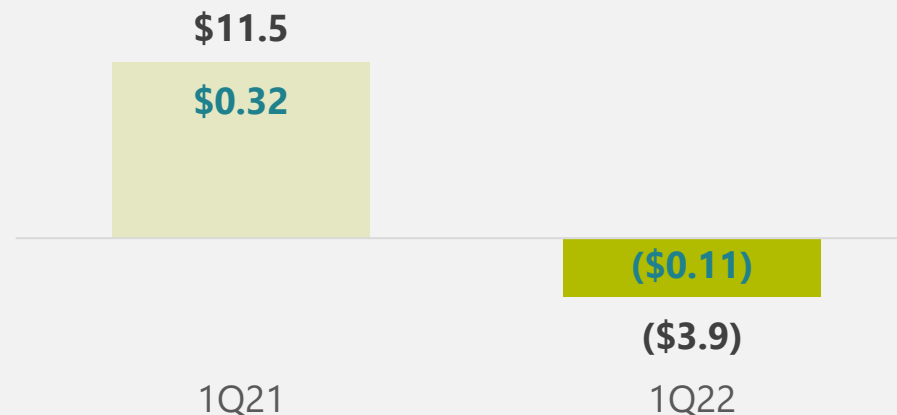
(in millions)



Backlog nearly doubles YoY to record \$1.3B

Income from Continuing Operations & EPS

(in millions)



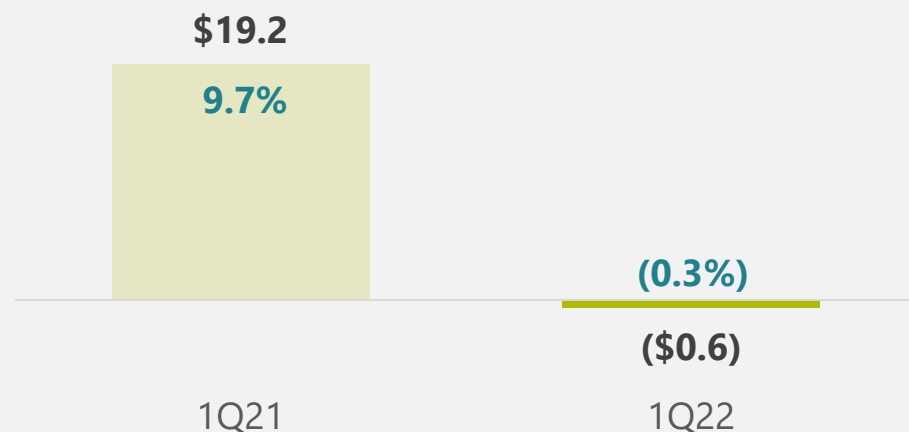
Slow start to the year as anticipated due to chassis supply

Shyft Financial Summary – 1Q22

Intermittent chassis supply impacted production and efficiency

Adjusted EBITDA & % of Sales

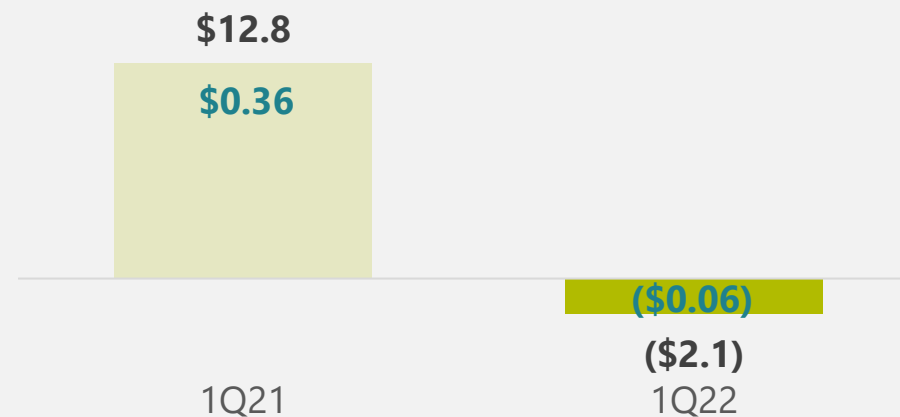
(in millions)



Results include \$4M investment
in EV technology

Adjusted Net Income & Adjusted EPS

(in millions, except EPS)



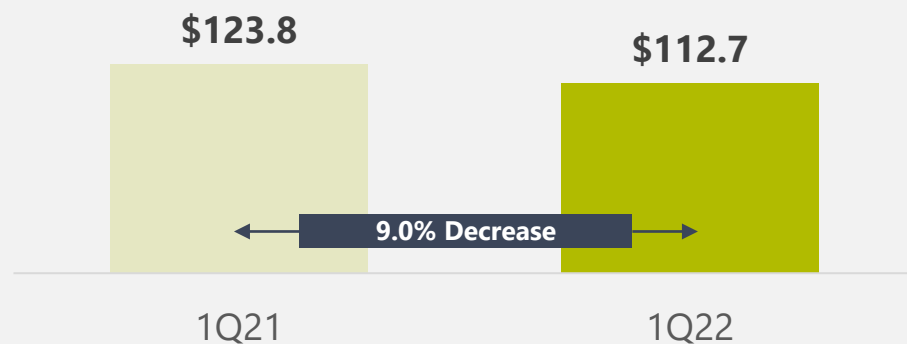
Balance sheet and liquidity
remain strong

Fleet Vehicles and Services – 1Q22

Continued demand strength with record orders during first quarter

Revenue

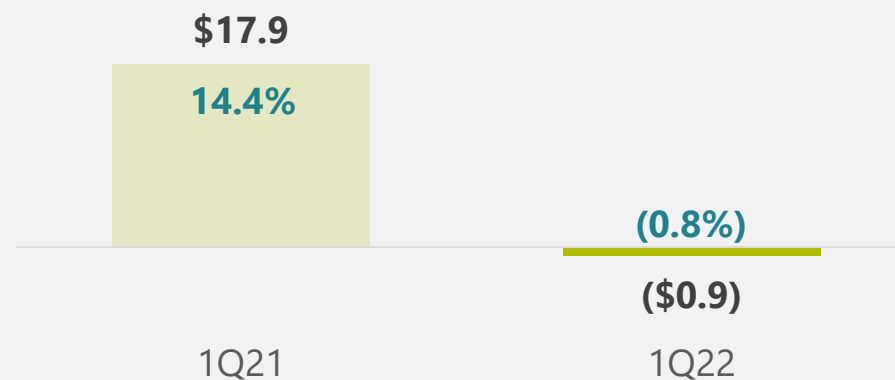
(in millions)



Backlog of \$1.1B, up 96% YoY

Adjusted EBITDA & % of Sales

(in millions)

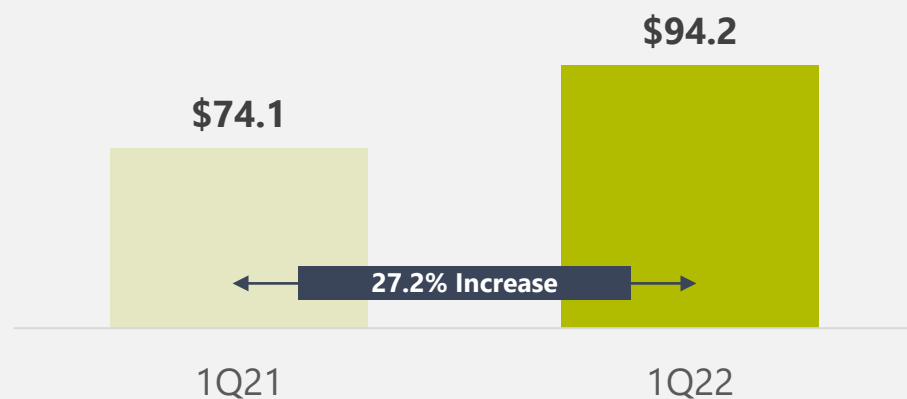


Chassis supply and OEM shutdowns impacted production

Specialty Vehicles – 1Q22

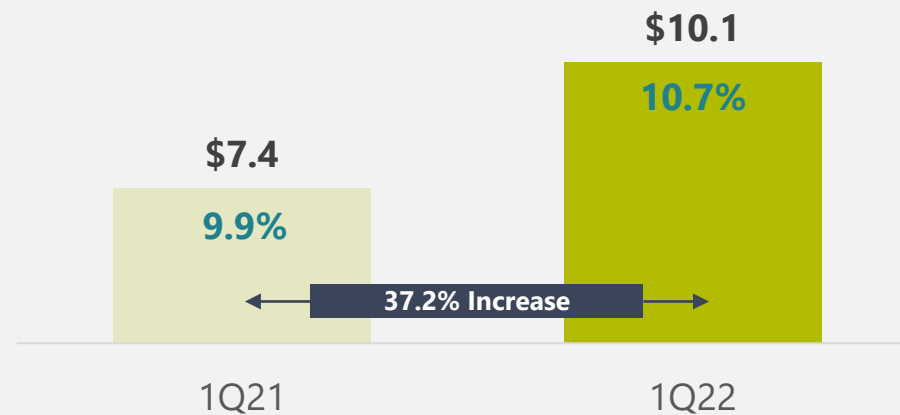
Positive momentum across all product lines

Revenue *(in millions)*



Backlog of \$124M, up 52% YoY

Adjusted EBITDA & % of Sales *(in millions)*

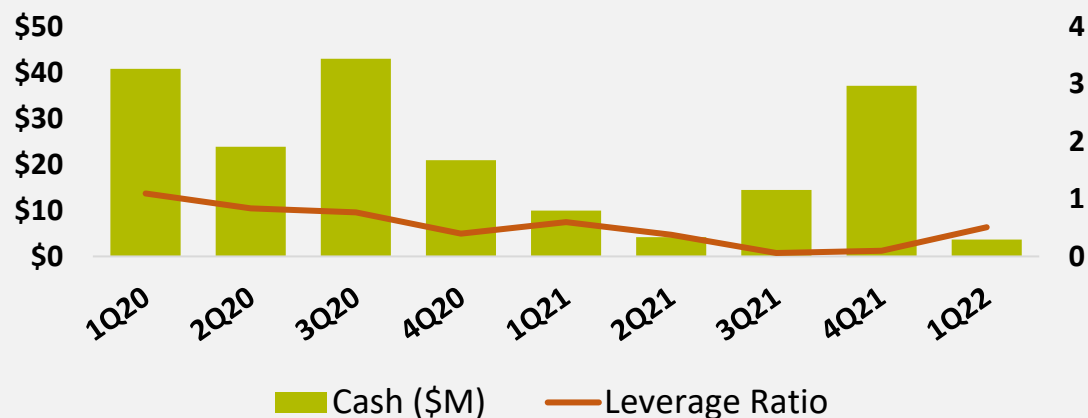


Expanded margins by 79 bps YoY

Liquidity & Outlook

Balance sheet remains strong

Liquidity



- Total liquidity of \$276M, including \$272M of borrowing capacity
- Current leverage ratio at 0.5x adj EBITDA
- Repurchased 607K shares during 1Q22 for \$26.8M

Guidance Update

	2022 Range	YoY Change (at midpoint)
<i>(\$M) except per share</i>		
Revenue	\$900 - \$1,100	1%
Adjusted EBITDA		
- Core Shyft	\$80 - \$110	(12%)
- EV Development	~(\$30)	
Adjusted EBITDA	\$50 - \$80	(40%)
Income from continuing ops.	\$18 - \$41	(58%)
Earnings per share	\$0.49 - \$1.15	(57%)
Adjusted earnings per share	\$0.75 - \$1.41	(48%)

- Chassis supply deterioration in recent months pressuring near term financial performance
- Full Year CapEx forecast between \$25M and \$30M

Reconciliation of Non-GAAP Financial Measures

This presentation presents Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted net income, and adjusted earnings per share, each of which is a non-GAAP financial measure. These non-GAAP measures are calculated by excluding items that we believe to be infrequent or not indicative of our underlying operating performance, as well as certain non-cash expenses. We define Adjusted EBITDA as income from continuing operations before interest, income taxes, depreciation and amortization, as adjusted to eliminate the impact of restructuring charges, acquisition related expenses and adjustments, non-cash stock-based compensation expenses, and other gains and losses not reflective of our ongoing operations.

We present the non-GAAP measure Adjusted EBITDA because we consider it to be an important supplemental measure of our performance. The presentation of Adjusted EBITDA enables investors to better understand our operations by removing items that we believe are not representative of our continuing operations and may distort our longer-term operating trends. We believe this measure to be useful to improve the comparability of our results from period to period and with our competitors, as well as to show ongoing results from operations distinct from items that are infrequent or not indicative of our continuing operating performance. We believe that presenting this non-GAAP measure is useful to investors because it permits investors to view performance using the same tools that management uses to budget, make operating and strategic decisions, and evaluate our historical performance. We believe that the presentation of this non-GAAP measure, when considered together with the corresponding GAAP financial measures and the reconciliations to that measure, provides investors with additional understanding of the factors and trends affecting our business than could be obtained in the absence of this disclosure.

Our management uses Adjusted EBITDA to evaluate the performance of and allocate resources to our segments. Adjusted EBITDA is also used, along with other financial and non-financial measures, for purposes of determining annual incentive compensation for our management team and long-term incentive compensation for certain members of our management team.

Reconciliation of Non-GAAP Financial Measures



The Shyft Group, Inc. and Subsidiaries
Consolidated Financial Summary (Non-GAAP)
(In thousands, except per share data)
(Unaudited)

The Shyft Group, Inc.	Three Months Ended March 31,			
	2022	% of	2021	% of
Income (loss) from continuing operations	\$ (3,852)	(1.9%)	\$ 11,530	5.8%
Net (income) attributable to non-controlling interest	-		(35)	
Add (subtract):				
Restructuring and other related charges	107		-	
Acquisition related expenses and adjustments	216		143	
Non-cash stock-based compensation expense	1,648		1,642	
Tax effect of adjustments	(255)		(432)	
Adjusted net income (loss)	<u>\$ (2,136)</u>	<u>(1.0%)</u>	<u>\$ 12,848</u>	<u>6.5%</u>
Income (loss) from continuing operations	\$ (3,852)	(1.9%)	\$ 11,530	5.8%
Net (income) attributable to non-controlling interest	-		(35)	
Add (subtract):				
Depreciation and amortization	2,969		2,571	
Income tax expense (benefit)	(1,885)		3,490	
Interest (income) expense	154		(170)	
EBITDA	<u>\$ (2,614)</u>	<u>(1.3%)</u>	<u>\$ 17,386</u>	<u>8.8%</u>
Add:				
Restructuring and other related charges	107		-	
Acquisition related expenses and adjustments	216		143	
Non-cash stock-based compensation expense	1,648		1,642	
Adjusted EBITDA	<u>\$ (643)</u>	<u>(0.3%)</u>	<u>\$ 19,171</u>	<u>9.7%</u>
Diluted net earnings (loss) per share	<u>\$ (0.11)</u>		<u>\$ 0.32</u>	
Add (subtract):				
Restructuring and other related charges	-		-	
Acquisition related expenses and adjustments	0.01		-	
Non-cash stock-based compensation expense	0.05		0.04	
Tax effect of adjustments	(0.01)		-	
Adjusted diluted net earnings (loss) per share	<u>\$ (0.06)</u>		<u>\$ 0.36</u>	

Reconciliation of Non-GAAP Financial Measures



Financial Summary (Non-GAAP)
Consolidated
(In thousands, except per share data)
(Unaudited)

	2021	2020	2019	2018	2017	2016	2015
Income from continuing operations	69,974	38,289	36,790	18,116	17,471	18,273	149
Net (income) loss attributable to NCI	(1,230)	(347)	(140)	-	1	7	-
Interest	414	1,293	1,839	1,080	864	410	365
Taxes	14,506	9,867	10,355	3,334	2,382	6,645	13,366
Depreciation & amortization	11,356	13,903	6,073	6,214	6,032	5,215	4,959
EBITDA	95,020	63,005	54,917	28,744	26,750	30,550	18,839
Restructuring and other related charges	505	1,873	316	662	798	-	-
Acquisition related expenses and adjustments	1,585	1,332	3,531	1,952	588	14	-
Non-cash stock-based compensation expense	8,745	7,706	5,281	4,027	3,536	1,536	1,198
Non-recurring professional fees	1,568	-	-	-	-	-	-
Loss from liquidation of JV	643	-	-	-	-	-	-
Loss from write-off of construction in process	-	2,430	-	-	-	-	-
Adjusted EBITDA	108,066	76,346	64,045	35,385	31,672	32,100	20,037
Income from continuing operations	69,974	38,289	36,790	18,116	17,471	18,273	149
Net (income) loss attributable to NCI	(1,230)	(347)	(140)	-	1	7	-
Restructuring and other related charges	505	1,873	316	662	798	-	-
Acquisition related expenses and adjustments	1,585	1,332	3,531	1,952	588	14	-
Non-cash stock-based compensation expense	8,745	7,706	5,281	4,027	3,536	1,536	1,198
Non-recurring professional fees	1,568	-	-	-	-	-	-
Loss from liquidation of JV	643	-	-	-	-	-	-
Loss from write-off of construction in process	-	2,430	-	-	-	-	-
Accelerated depreciation of property, plant and equipment	-	3,061	-	-	-	-	-
Deferred tax asset adjustment	-	376	135	(313)	(4,226)	(2,932)	9,379
Favorable tax rate in income taxes receivable	-	(2,610)	-	-	-	-	-
Non-recurring tax benefits	(4,392)	-	-	-	-	-	-
Tax effect of adjustments	(2,429)	(3,892)	(2,056)	(1,433)	(1,713)	(550)	(447)
Adjusted net income	74,969	48,218	43,857	23,011	16,455	16,348	10,279
EPS	1.91	1.05	1.03	0.52	0.50	0.53	-
Restructuring and other related charges	0.01	0.05	-	0.02	0.02	-	-
Acquisition related expenses and adjustments	0.04	0.04	0.11	0.06	0.02	-	-
Non-cash stock-based compensation expense	0.24	0.21	0.15	0.11	0.10	0.05	0.03
Non-recurring professional fees	0.04	-	-	-	-	-	-
Loss from liquidation of JV	0.02	-	-	-	-	-	-
Loss from write-off of construction in process	-	0.07	-	-	-	-	-
Accelerated depreciation of property, plant and equipmen	-	0.09	-	-	-	-	-
Deferred tax asset adjustment	-	0.01	-	(0.01)	(0.12)	(0.08)	0.28
Favorable tax rate in income taxes receivable	-	(0.07)	-	-	-	-	-
Non-recurring tax benefits	(0.12)	-	-	-	-	-	-
Tax effect of adjustments	(0.06)	(0.11)	(0.05)	(0.04)	(0.05)	(0.02)	(0.01)
Adjusted EPS	2.08	1.34	1.24	0.66	0.47	0.48	0.30

Reconciliation of Non-GAAP Financial Measures

The Shyft Group, Inc. and Subsidiaries
 Consolidated Financial Summary (Non-GAAP)
 (In thousands, except per share data)
 (Unaudited)

The Shyft Group, Inc.	Forecast		
	Twelve Months Ended December 31, 2022		
	Low	Mid	High
Income from continuing operations	\$ 17,655	\$ 29,395	\$ 41,135
Add:			
Depreciation and amortization	13,582	13,582	13,582
Interest expense	1,000	1,000	1,000
Taxes	5,423	8,683	11,943
EBITDA	\$ 37,660	\$ 52,660	\$ 67,660
Add:			
Non-cash stock-based compensation and other charges	12,340	12,340	12,340
Adjusted EBITDA	\$ 50,000	\$ 65,000	\$ 80,000
Earnings per share	\$ 0.49	\$ 0.82	\$ 1.15
Add:			
Non-cash stock-based compensation and other charges	0.34	0.34	0.34
Less tax effect of adjustments	(0.08)	(0.08)	(0.08)
Adjusted earnings per share	\$ 0.75	\$ 1.08	\$ 1.41



Thank you.