

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

**FORM 8-K**

**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): June 8, 2021

**THE SHYFT GROUP, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Michigan**  
(State or Other Jurisdiction  
of Incorporation)

**001-33582**  
(Commission File No.)

**38-2078923**  
(IRS Employer  
Identification No.)

**41280 Bridge Street, Novi, Michigan**  
(Address of Principal Executive Offices)

**48375**  
(Zip Code)

**517-543-6400**  
(Registrant's Telephone Number, Including Area Code)

**Not Applicable**  
(Former Name or Former Address, if changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Section Act (17 CFR 230.425)  
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	SHYF	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth 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. ☐

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**Item 7.01 Regulation FD Disclosures**

On June 8, 2021, The Shyft Group, Inc. issued the press release attached as Exhibit 99.1 relating to its Investor Day being held on the same date, which is incorporated herein by reference. As noted in the press release, interested parties can access the presentation and related slides which are attached as Exhibit 99.2.

The information contained in this Item 7.01 of this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, is being furnished and shall not be deemed to be “filed” for the purpose of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) nor shall it be deemed incorporated by reference in any filing under the Exchange Act or the Securities Act of 1933, as amended, regardless of any general incorporation language in any such filings.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

99.1 [Press Release dated June 8, 2021](#)

99.2 [Investor Day Presentation dated June 8, 2021](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: June 8, 2021

THE SHYFT GROUP, INC.

/s/ Joshua A. Sherbin

By: Joshua A. Sherbin

Its: Chief Legal Officer and Corporate Secretary



41280 Bridge St Novi, MI 48375

P: 517.543.6400

THESHYFTGROUP.COM

## THE SHYFT GROUP ADVANCES ELECTRIFIED MOBILITY WITH PLAN FOR EXPANSIVE MEDIUM-DUTY ALL-ELECTRIC COMMERCIAL VEHICLE CHASSIS PLATFORM

- *Purpose-built EV specialty vehicle chassis will offer category-leading features*
- *Class-agnostic flexible flat modular chassis design allows integration with any specialty vehicle body manufacturer*
- *EV chassis can serve last mile delivery, work truck, recreational, mass transit, and other specialty vehicle segments*

**(NOVI, Mich., June 8, 2021)** – The Shyft Group, Inc. (NASDAQ: SHYF) (the "Company"), the North American leader in specialty vehicle manufacturing and assembly for the commercial and fleet vehicle industries (including last mile delivery, specialty service, and vocation-specific upfit markets), as well as for the recreational vehicle markets, unveiled plans today to bring to market an all-electric purpose-built Class 3 chassis platform designed to serve a wide array of medium-duty truck markets, from last mile parcel delivery fleets to work trucks, passenger busses, recreational vehicles, and more.

Shyft Innovations™, The Shyft Group's dedicated mobility research and development team, will introduce a purpose-built flat modular EV chassis to any specialty vehicle body builder. The EV-powered chassis features customizable length and wheelbase, making it well suited for a variety of vehicle types. The chassis' modular design can accommodate multiple GVWR classifications, based on build-out and usage. With this high degree of configurability, the all-electric chassis is adaptable to last mile delivery, work truck, mass transit, recreational vehicle, and other emerging EV markets.

Vehicle prototypes are expected to make their way into customer accounts for route testing early in 2022 with production expected to begin in middle of 2023.

"We've listened closely to our customers and to the industry at large to design this EV chassis to address an unmet need in the specialty vehicles market," said Daryl Adams, President and Chief Executive Officer of The Shyft Group. "We gained valuable insight from our long-term customer relationships to develop an EV chassis that will help all customers meet green mandates head-on. With a rich history in chassis engineering, body builders trust our deep domain expertise and our ability to deliver a reliable purpose-built EV platform that will deliver inherent efficiencies that positively impact the bottom line for fleet customers and owner operators alike.

"We have a well-established track record as a manufacturer of choice for purpose-built fleets. With nearly a decade of EV proficiency and over 15 years of alternative propulsion category experience, we're a natural choice for other body builders seeking a reliable commercial grade EV chassis," Adams said. "We believe this multi-dimensional platform has the power to fast-track EV adoption within the vocation-specific specialty vehicle category. It will be made domestically by a proven team of skilled tradespeople already building today's most successful fleets."

The Shyft Group's coast-to-coast geographic footprint, with manufacturing facilities spanning 10 U.S. states from Maine to California, in addition to its facility in Mexico, provide regional manufacturing and ship-thru convenience across the full product array spanning Class 1 – Class 7 purpose-built vehicles. For more information on The Shyft Group, visit [www.TheShyftGroup.com](http://www.TheShyftGroup.com).

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## About The Shyft Group

The Shyft Group is the North American leader in specialty vehicle manufacturing, assembly, and upfit for the commercial, retail, and service specialty vehicle markets. Our customers include first-to-last mile delivery companies across vocations, federal, state, and local government entities; the trades; and utility and infrastructure segments. The Shyft Group is organized into two core business units: Shyft Fleet Vehicles & Services™ and Shyft Specialty Vehicles™. Today, its family of brands include Utilimaster®, Royal Truck Body™, DuraMag® and Magnum®, Strobes-R-Us™, Spartan RV Chassis™, Builtmore Contract Manufacturing™, and corresponding aftermarket provisions. The Shyft Group and its go-to-market brands are well known in their respective industries for quality, durability, and first-to-market innovation. The Company employs approximately 2,900 associates across campuses, and operates facilities in Michigan, Indiana, Maine, Pennsylvania, South Carolina, Florida, Missouri, California, Arizona, Texas, and Saltillo, Mexico. The Company reported sales from continuing operations of \$676 million in 2020. Learn more about The Shyft Group at [www.TheShyftGroup.com](http://www.TheShyftGroup.com).

This release contains several forward-looking statements that are not historical facts, including our revenue and earnings guidance, all other information provided with respect to our outlook for 2021 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. These statements can be identified by words such as "believe," "expect," "intend," "potential," "future," "may," "will," "should," "outlook," and similar expressions regarding future expectations. Furthermore, any statements contained in this release relating to the COVID-19 pandemic, the impact of which remains inherently uncertain on our financial results, are forward-looking statements. These forward-looking statements involve various known and unknown risks, uncertainties, and assumptions that are difficult to predict with regard to timing, extent, and likelihood. Therefore, actual performance and results may materially differ from what may be expressed or forecasted in such forward-looking statements. Factors that could contribute to these differences include future developments relating to the COVID-19 pandemic, including governmental responses, supply chain shortages, and potential labor issues; operational and other complications that may arise affecting the implementation of our plans and business objectives; continued pressures caused by economic conditions including weaknesses resulting from the COVID-19 pandemic; challenges that may arise in connection with the integration of new businesses or assets we acquire or the disposition of assets; restructuring of our operations, and/or our expansion into new geographic markets; issues unique to government contracting, such as competitive bidding processes, qualification requirements, and delays or changes in funding; disruptions within our dealer network; changes in our relationships with major customers, suppliers, or other business partners; changes in the demand or supply of products within our markets or raw materials needed to manufacture those products; and changes in laws and regulations affecting our business. Other factors that could affect outcomes are set forth in our Annual Report on Form 10-K and other filings we make with the Securities and Exchange Commission (SEC), which are available at [www.sec.gov](http://www.sec.gov) or our website. All forward-looking statements in this release 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 release, whether as a result of new information, future events, or otherwise.

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# Delivering. The Road Ahead.

June 8, 2021

SHYFT GROUP | 2021 ANALYST & INVESTOR CONFERENCE



# Video



## **Juris Pagrabs**

Group Treasurer / Head of IR

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# Forward-Looking Statement

This presentation contains several forward-looking statements that are not historical facts, including our revenue and earnings guidance, all other information provided with respect to our outlook for 2021 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 are not historical facts. These statements can be identified by words such as "believe," "expect," "intend," "potential," "future," "may," "will," "should," and similar expressions regarding future expectations. Furthermore, statements contained in this presentation relating to the COVID-19 pandemic, the impact of which remains inherently uncertain on our financial results, are forward-looking statements. These forward-looking statements involve various known and unknown risks, uncertainties, and assumptions that are difficult to predict with regard to timing, extent, and likelihood. Therefore, actual performance and results may materially differ from what may be expressed or forecasted in such forward-looking statements. Factors that could contribute to these differences include future developments relating to the COVID-19 pandemic, including governmental responses, supply chain shortages, and potential labor issues; operational and other complications that may arise affecting the implementation of our plans and business objectives; continued pressures caused by economic conditions including weaknesses resulting from the COVID-19 pandemic; challenges that may arise in connection with the integration of new businesses or assets we acquire or the disposition of assets; restructuring of our operations; and/or our expansion into new geographic markets; issues unique to government contracting, such as competitive bidding processes, qualification requirements, and delays or changes in funding; disruptions within our dealer network; changes in our relationships with major customers, suppliers, or other business partners; changes in the demand or supply of products within our markets or raw materials needed to manufacture those products; and changes in laws and regulations affecting our business. Other factors that could affect outcomes are set forth in our Annual Report on Form 10-K and other filings we make with the Securities and Exchange Commission (SEC), which are available at [www.sec.gov](http://www.sec.gov) or our website. All forward-looking statements in this release 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 release, 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.

# Agenda

10:00 AM	Welcome and Introductions
10:05 AM	Delivering on our Growth Strategy <b>Daryl Adams</b>
10:15 AM	Fleet Vehicles & Services Business Review <b>Chad Heminover</b>
10:30 AM	Specialty Vehicles Business Review <b>Steve Guillaume</b>
10:45 AM	BREAK
11:00 AM	Shyft Innovation Group <b>Daryl Adams</b>
11:10 AM	Financial Review <b>Jon Douyard</b>
11:25 AM	The Road Ahead <b>Daryl Adams</b>
11:30 AM	Q&A - Panel
12:00 PM	Closing



**Daryl Adams**  
President and CEO



**Chad Heminover**  
President  
Fleet Vehicles & Services

**SHARED EXPERIENCE**  
Blended Auto & non-auto  
Big company DNA  
Lean manufacturing  
Successful M&A  
Progressive experience



**Steve Guillaume**  
President  
Specialty Vehicles



**Jon Douyard**  
Chief Financial Officer



**Daryl M. Adams**

President and Chief Executive Officer



# Delivering. The Road Ahead.

## The Path Forward

- Strategic growth plan
- Transformed portfolio
- Rebranded to The Shyft Group

## Enhanced Corporate Culture

- Customer-driven, purpose-built innovation
- Operational excellence
- Movement towards sustainability and stewardship

## Driving Strong Results

- Consistent double-digit revenue and profitability growth
- Top quartile TSR

# The Shyft Growth Strategy

## 16 MFG Operations

in 10 States & 2 Countries



### Industry Leading Brands



## 2018

East coast expansion

## 2019

West & Southwest expansion

## 2020

Expanded product portfolio

## 2021

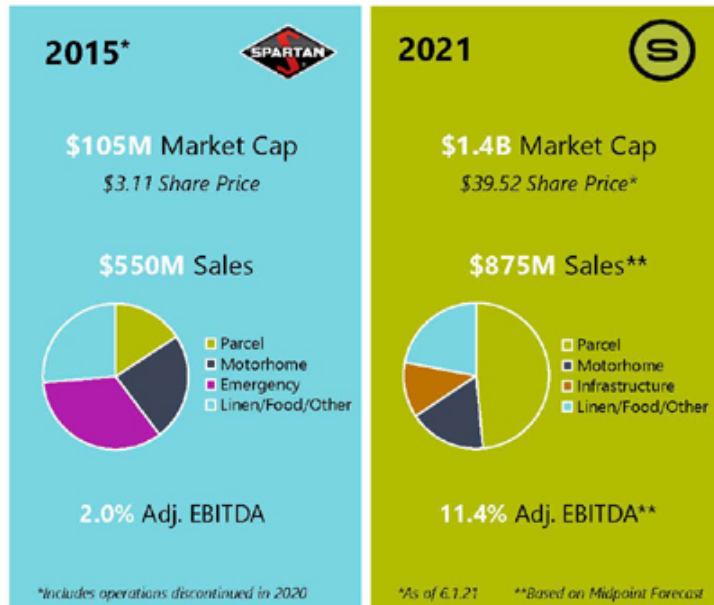
Launched Velocity vehicle

## North American Leader

in specialty vehicle manufacturing and assembly for the commercial vehicle market



# Transformation of the Portfolio



**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 –**  
current facilities within  
85% of the population

**Strengthened  
management team**  
to support  
accelerated growth

**5X** TSR  
vs. peers  
since 2015

# 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

- New technologies

## Focused ESG Efforts Underway



### Aligned with Growth Strategy



- Safeguard employees
- Set sustainability goals toward continuous improvements
- Achieve energy efficiency



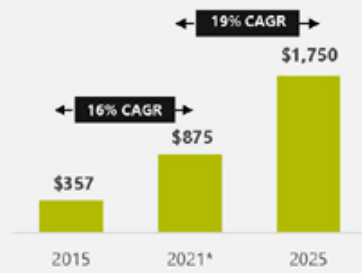
- Diversity and inclusion
- Community and stakeholder engagement
- Respect for human rights



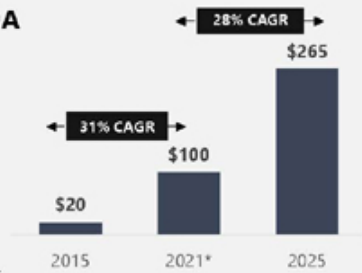
- Leading governance standards
- Management accountability
- Overall transparency

# The Road Ahead

## Revenue (in millions)



## Adjusted EBITDA (in millions)



\*Based on Midpoint Forecast

## 2025 Financial Objectives

Revenue **\$1.75B**

Adj. EBITDA Margin **15%**

## Enablers

- Strong brands
- Growing markets
- Leading technology
- Operational excellence
- Experienced leadership team



**Chad Heminover**

President, Fleet Vehicles & Services

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# Fleet Vehicles and Services

North American leader in purpose-built delivery vehicle solutions

## \$491M in 2020 Sales

75% of Shyft Group

### Revenue (in millions)

17% CAGR

\$228

2015

\$491

2020

### Adjusted EBITDA (in millions)

37% CAGR

\$18

2015

\$85

2020

## Total Addressable Market

\$3.2B

### Revenue By End Market



Parcel

Retail

Utility

Linen













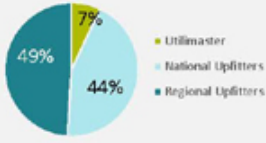



Food & Bev

Government

### Growth Drivers

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

## Industry Leading Breadth of Product

	Cargo Van Upfit	"Velocity"	Traditional Walk in Van	Truck Body
				
	<b>Class 1 &amp; 2</b>   GVWR 6,000 - 10,000 lbs.	<b>Class 2 &amp; 3</b>   GVWR 9,350 - 12,125 lbs.	<b>Class 4 &amp; 5</b>   GVWR 16,000 - 19,500 lbs.	<b>Class 6 &amp; 7</b>   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	 <ul style="list-style-type: none"> <li>Utilmaster</li> <li>National Upfitters</li> <li>Regional Upfitters</li> </ul>	 <ul style="list-style-type: none"> <li>Utilmaster</li> </ul>	 <ul style="list-style-type: none"> <li>Utilmaster</li> <li>Morgan Olson</li> </ul>	 <ul style="list-style-type: none"> <li>Utilmaster</li> <li>Morgan Corp</li> <li>Webody/Supreme</li> <li>Others</li> </ul>
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

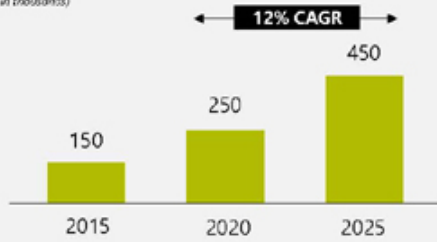
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# Parcel Delivery Growth Clear through 2025

## Major Carrier Fleet Size\*

(Units in thousands)



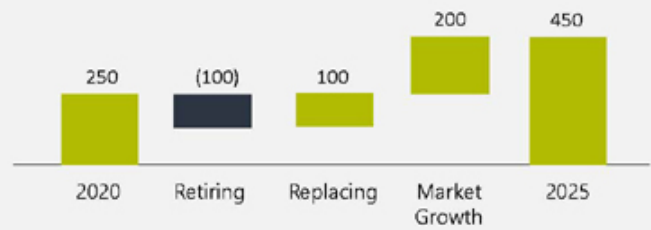
### Parcel Outlook

- 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 (drones, etc.) 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

# Diversification Initiatives

Attractive market opportunities with annual revenue potential of ~\$100M by 2025



## Refrigeration Upfit

- Refrigeration products thru partnerships

## Expanding Upfitting Capabilities

- Cranes, winches, jackhammers
- Self-contained generator, welding station

## Pick-up Truck Upfit Ship-Thru

- Bed caps & side outs
- Toolboxes & pull-out storage
- Racks & ladders

## Enablers

National footprint

Flexible manufacturing

Versatile product lines

Capable employees

# Customer-Focused Culture of Innovation

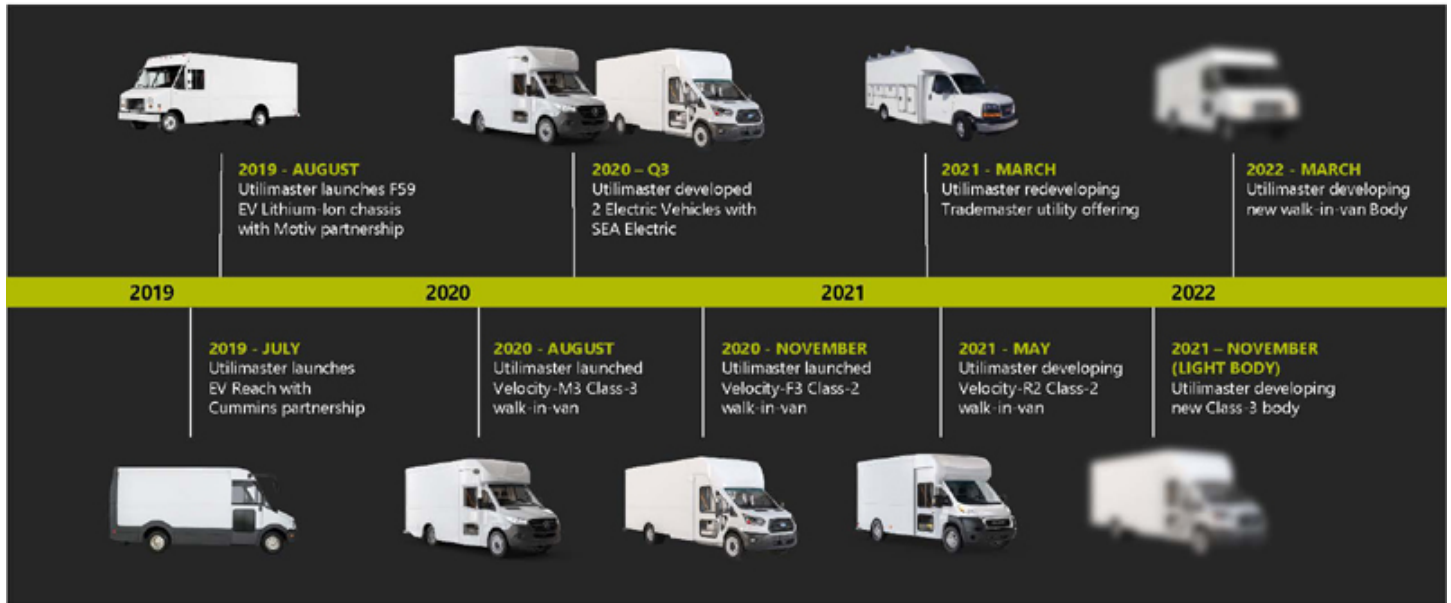
## Work-Driven Design® = The Utilimaster Difference



## Responsive to Customer Needs

3	Average months required to get to full production
15	Average months from full body design to production
>\$200M	New product backlog as of 1Q21
2,522	Number of alternative propulsion vehicles delivered since 2004

# Continuous Mindset of Innovation



# FVS Electric Vehicle Strategy

**Demand for EVs is strong but there are significant barriers** to adoption, which will limit widespread deployment until the mid 2020s

## **FVS EV customer-driven strategy currently includes:**

- Integrating OEM EV chassis into a specialty vehicle product
- EV skateboard – partnering with EV chassis suppliers to manufacture EV vehicles
- Key party that interfaces with end customers and understands their needs

## **FVS EV initiatives to remain body “builder of choice”**

- Weight reduction
- Alternative materials
- New technologies for power load optimization
- Modernize design
- Modular design
- Ease of serviceability

# Margin Expansion through Operational Excellence

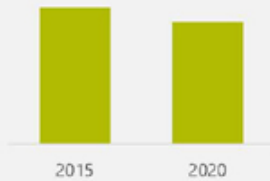


## Labor

- Process innovation
- Standardization
- Leveraging lean principles

% of Sales

← 80 bps decrease →

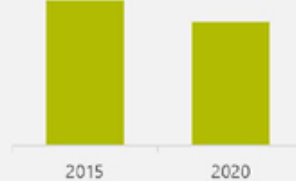


## Material Cost

- Global sourcing
- Vertical integration
- Alternative materials
- Pricing

% of Sales

← 370 bps decrease →

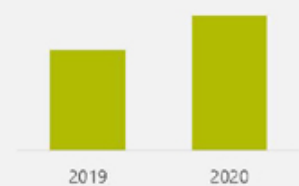


## Walk-in-van Capacity

- Same footprint increased output
- Production automation
- Flexible manufacturing

Production Capacity Increase

← 34% Increase →



**EBITDA margin expansion of 10 pts since 2015**

# Continuous Improvement Case Study

Project Charter: Bristol Door Build Kaizen Team – October 2020

## Before



## After



## Realized Benefits

- Daily door production up +13%
- Reduced man hours per unit by -45%
- Safety burden lowered by -56%
- Sq. footage requirement reduced by -30%
- WIP inventory reduced by -89%

**Annualized savings \$400K**

# The Road Ahead



Adjusted EBITDA ~20%





**Steve Guillaume**

President, Specialty Vehicles



# Specialty Vehicles

North American leader in service vehicle and specialty chassis manufacturing

## \$185M in 2020 Sales

25% of Shyft Group

### Revenue (in millions)

7% CAGR



### Adjusted EBITDA (in millions)

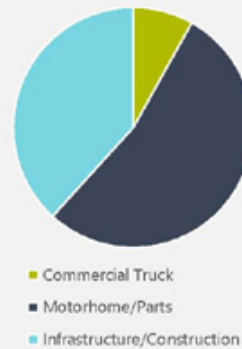
26% CAGR



## Total Addressable Market

\$1.7B\*

### Revenue By End Market



### Growth Drivers

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

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

# Industry Leading Specialty Brands

RV Chassis TAM: \$610M



Builtmore TAM: \$90M



## Product

**Premier Class A diesel foundation**  
with best-in-class product technology



**EV**  
Contract Mfg.

**N-Gas**  
GVWR 14,000 lbs.

**F-Series**  
GVWR 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
  - Adjusted EBITDA up 280% since 2015



- 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

## Recent Acquisitions



**\$100M+**  
Combined Revenues Run Rate



**100% increase in profitability**

**After Acquisition**

**25%+ ROIC by year 3**

# Driving Organic Service Body Growth Through Product Extension

Service Body TAM: \$1.0B



- Comprehensive portfolio steel and aluminum service bodies
- Innovative high-quality truck accessories
- Meeting geographic demand of customers

**Market Share:**  
3% in 2019 to 6% in 2021



Severe duty bodies with crane



Contractor & platform bodies



Dump & landscape



New e-coated steel service body XP

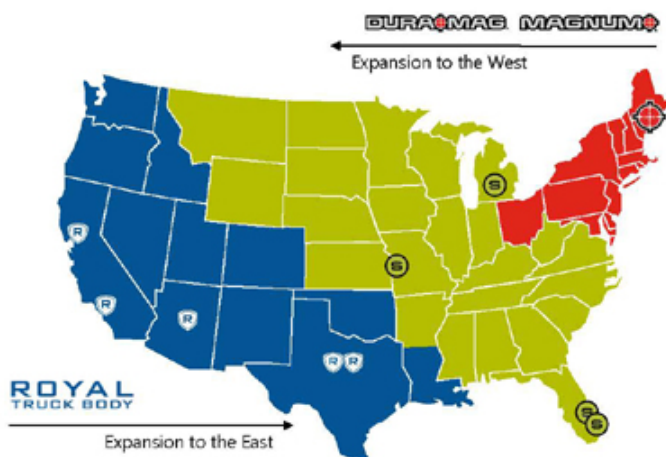


Accessory product expansion



Service van body

# Organic Growth: Geographic and Commercial Initiatives



## National Expansion

- Expansion East and West
- Ecommerce growth of accessories
- New growth territories

## Channel

- Added ship through locations
- Expansion of company branches
- Drove 20% increase in chassis pool

## Product

- Cross-pollination of Duramag and RTB
- Expanded customer offerings
- Innovation driving product differentiation

## Service Body Market Share



**Now Rated in Top-5 within OEM Chassis Pools**

**Target – Double the business by 2025**

# Driving Innovation Across Entire Portfolio

## Service Body



- Next generation service body
- Internal hinge
- Maglock electronic locking
- Accessory expansion
- Fortress locking



Toolbox



Maglock Electronic Locking



Fortress 5-Point Locking

## Motorhome



- Advance protection
- Safe haul
- Mobile eye
- Digital instrument cluster
- Ride and handling



360° Sense Camera System

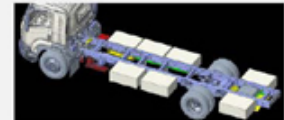


Gen 2 Digital Dash

## Builtmore



- Multi-product assembly operations
- EV system upfit
- Production flexibility
- Quality systems



# Margin Expansion through Operational Excellence

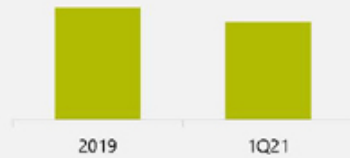


## Labor – Royal Truck Body

- Execution of lean manufacturing
- One piece flow
- Process flow optimization

### % of Sales

← 160 bps reduction →

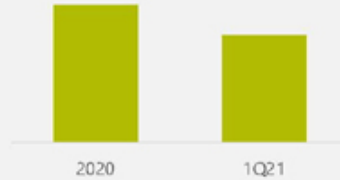


## Operation Consolidation - Motorhome

- MFG footprint consolidation
- Line side material / sub-assembly
- Increased capacity

### Hours Per Unit Reduction

← 22% reduction →

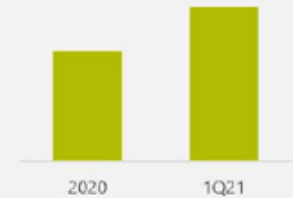


## Capacity - DuraMag

- Same footprint - increased output
- Improved process flow
- Production capital

### Capacity

← 40% increase →

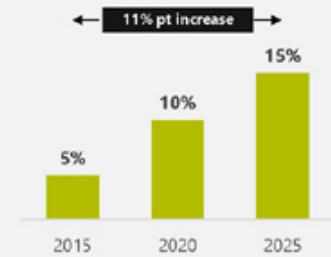


**EBITDA margin expansion of 6 pts since 2015**

# The Road Ahead



Adjusted EBITDA ~15%



# Intermission

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**Daryl M. Adams**

President and Chief Executive Officer



# Electric Vehicle Landscape is Changing

**Governmental and company “green” mandates driving electric vehicle adoption**

**Customers are looking for an OEM purpose-built EV chassis**

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

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

\*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.

# Fleet "Green" Mandates Driving Adoption

## Fleet GHG Reduction Goals



**(12%) GHG**  
by 2025



**All Electric**  
PUD by 2040



**Carbon Neutral**  
by 2040



**Net Zero**  
GHG by 2040



**(15%) GHG**  
by 2025

## Shyft's Expertise is Second to None

Shyft has built specialty vehicles chassis for 46 years

Shyft has built alternative propulsion vehicles for 17 years

Shyft has built electric vehicles for 9 years

Hybrid vehicles	1,223 units
CNG vehicles	821 units
Propane vehicles	10 units
Electric vehicles	468 units
<b>Total</b>	<b>2,522 units</b>

# SHYFT INNOVATIONS

New Technologies To Drive Future Growth



# Video

# Shyft Electric Vehicle Chassis

## Performance Specifications

### Purpose-Built Flat Modular Solution

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

### Battery specifications

- 120-160 kWh packs (Li-ion-NMC)
- 150-175 mile range @ 50% payload
- Charge time of 2-6 hrs

### Performance

- Top Speed of 65 mph
- 10-year life cycle
- 5-year / 100,000-mile powertrain warranty

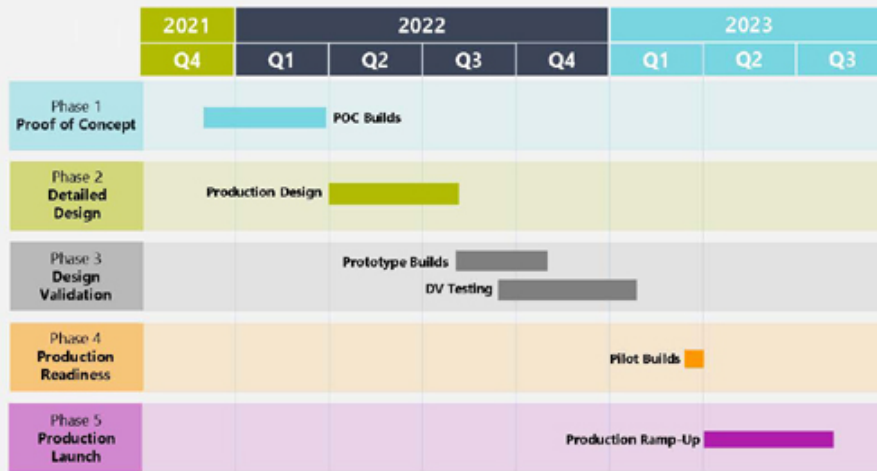


### Optimized Flat Modular Design

- 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



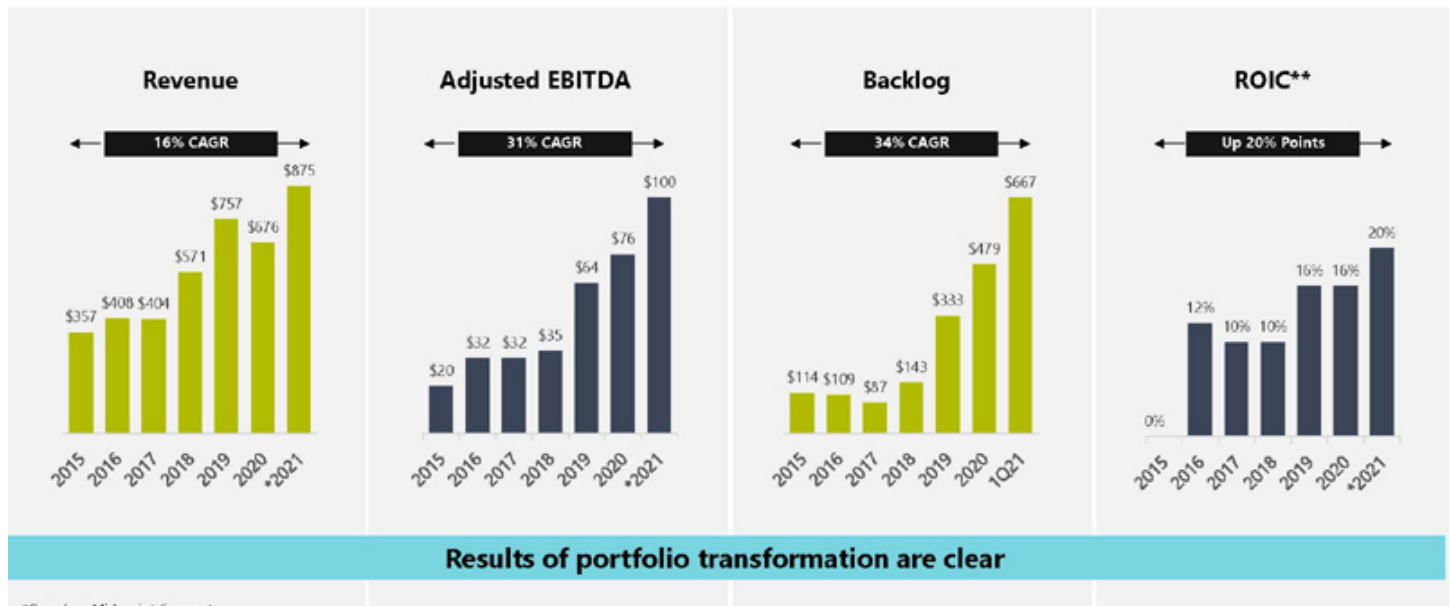
- Leverage Shyft's experienced chassis team
- Leverage industry EV supply base and integrate proven components
- Leverage deep knowledge of product and service delivery needs



**Jon Douyard**  
Chief Financial Officer



# Historical Financial Performance



\*Based on Mid-point Forecast

\*\* ROIC is net operating profit after taxes divided by average long-term debt and shareholders' equity

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# 2025 Roadmap

## GDP+ Sales Growth

- Parcel market tailwinds
- New product launches
- EV chassis launch

## Accelerate Strategy

- Organic investments in portfolio
- Maintain strong balance sheet
- Disciplined M&A
- Investment in innovation



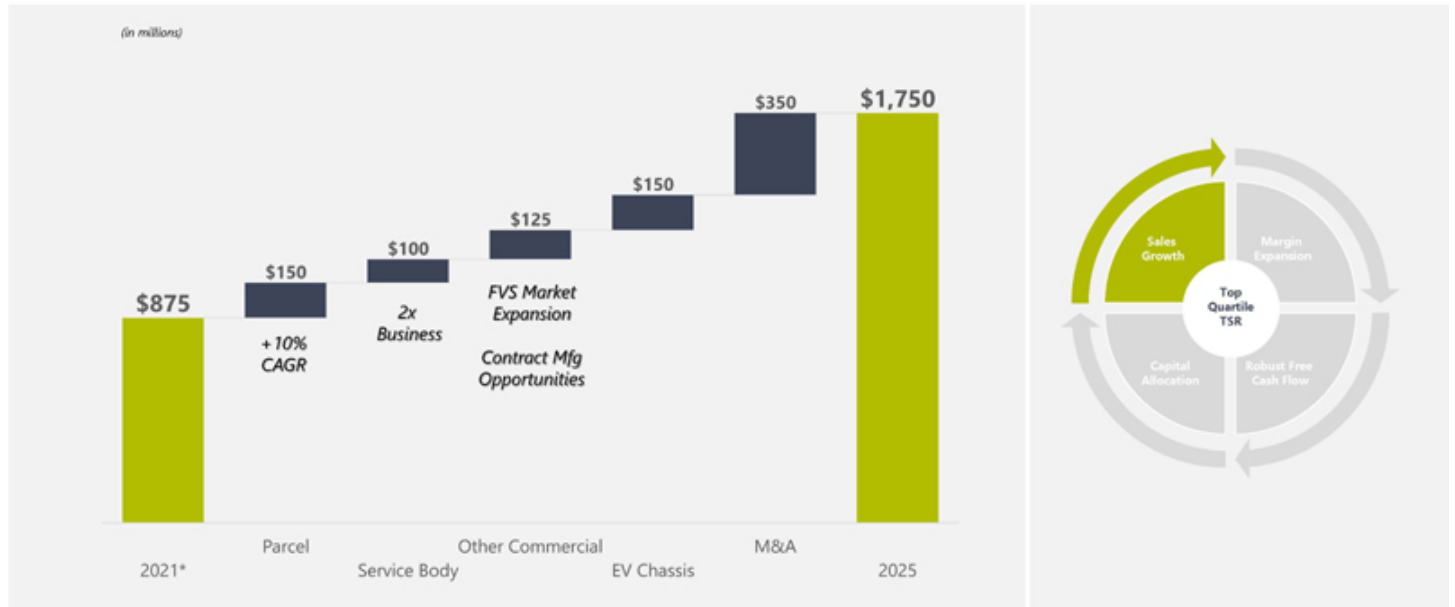
## Operational Excellence

- Pricing > inflation
- VAVE initiatives
- Lean & labor efficiencies
- Leverage cost structure

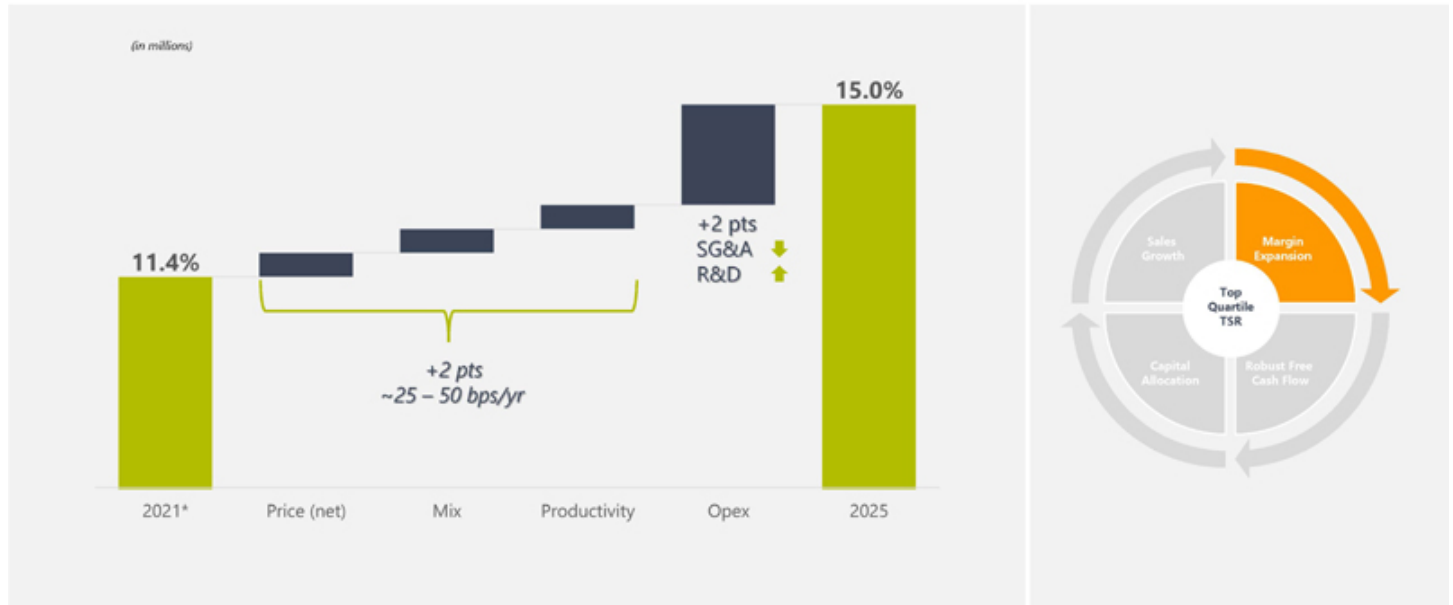
## Working Capital Efficiency

- Annual targets on cash conversion cycle
- Rigorous inventory management

# 2025 Revenue Roadmap



# 2025 Adjusted EBITDA Roadmap



\*Based on Midpoint Forecast

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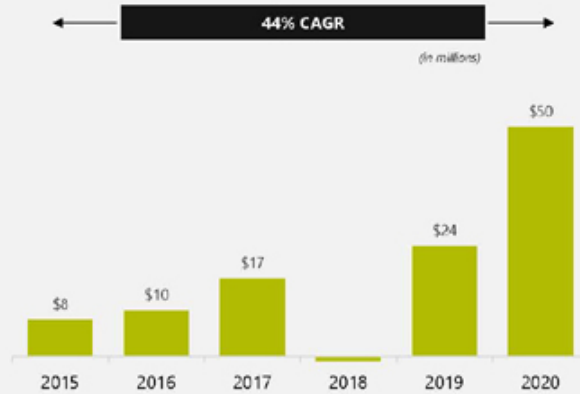
46

# Driving Sustainable Strong Free Cash Flow is a Priority

> 100%

Targeted annual cash conversion ratio\* by 2024

\*Free cash flow / Net income  
FCF: Operating cash flow less property, plant and equipment (includes discontinued operations)



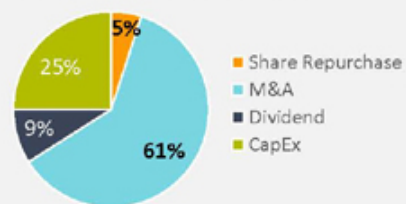
2X increase in 2020 despite COVID headwinds



# Capital Allocation Framework

## Capital Allocation

2015-2020: Total \$230M Investment



### Framework

- Maintain dividend
- Fund operations & innovation
- M&A
- Share repurchase
- Dividend increase

## Debt Structure



- Prudent debt management
- Solid banking relationship



~\$400M Free Cash Flow through 2025 with up to ~3.0X EBITDA of additional debt capacity

# Acquisition Playbook

## Disciplined, focused, and strategic approach to M&A

### Strategic Fit

- Long-term market attractiveness
- Demonstrated product innovation
- Strong brand and competitive advantage
- Accretive financial profile

### Value Creation

- Focus on ROIC
- Accelerate growth strategy
- Cross-selling/pollination opportunities
- Product portfolio and geographic expansion
- Lean opportunities



2017

2018

2019

2020

2021

# Why Invest in The Shyft Group

Leading product offerings in high growth markets

Proven ability to expand margins

Strong balance sheet with FCF generation expected to grow through 2025 and beyond

Disciplined approach to M&A and internal investments

Demonstrated performance of delivering top tier TSR



**Daryl M. Adams**  
President and Chief Executive Officer



# The Road Ahead.





# Q&A Session

**SHYFT** GROUP | 2021 ANALYST & INVESTOR CONFERENCE

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# Appendix

# 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 these non-GAAP measures because we consider them to be important supplemental measures of our performance. The presentation of these non-GAAP measures 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 these measures 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 these non-GAAP measures 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 these non-GAAP measures, when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, 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



## Financial Summary (Non-GAAP) Continuing Operations (In thousands, except per share data) (Unaudited)

	2020	2019	2018	2017	2016	2015
Income from continuing operations	38,289	36,790	18,116	17,471	18,273	149
Net (income) loss attributable to NCI	(347)	(140)	-	1	7	-
Interest	1,293	1,839	1,083	864	410	365
Taxes	9,887	10,355	3,334	2,382	6,645	13,366
Depreciation & amortization	13,903	6,073	6,214	6,032	5,215	4,959
EBITDA	63,025	54,917	28,744	26,750	30,550	18,839
Restructuring and other related charges	1,873	316	662	798	-	-
Acquisition related expenses and adjustments	1,332	3,531	1,952	588	14	-
Non-cash stock-based compensation expense	7,706	5,281	4,027	3,536	1,536	1,198
Loss from write-off of construction in process	2,430	-	-	-	-	-
Adjusted EBITDA	76,346	64,045	35,385	31,672	32,100	20,037
Income from continuing operations	38,289	36,790	18,116	17,471	18,273	149
Net (income) loss attributable to NCI	(347)	(140)	-	1	7	-
Restructuring and other related charges	1,873	316	662	798	-	-
Acquisition related expenses and adjustments	1,332	3,531	1,952	588	14	-
Non-cash stock-based compensation expense	7,706	5,281	4,027	3,536	1,536	1,198
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)	-	-	-	-	-
Tax effect of adjustments	(3,892)	(2,056)	(1,433)	(1,713)	(550)	(447)
Adjusted net income	40,218	43,857	23,011	16,455	16,348	10,779
EPS	1.05	1.03	0.52	0.50	0.53	-
Restructuring and other related charges	0.05	-	0.02	0.02	-	-
Acquisition related expenses and adjustments	0.04	0.11	0.06	0.02	-	-
Non-cash stock-based compensation expense	0.21	0.15	0.11	0.10	0.05	0.03
Loss from write-off of construction in process	0.07	-	-	-	-	-
Accelerated depreciation of property, plant and equipment	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)	-	-	-	-	-
Tax effect of adjustments	(0.11)	(0.05)	(0.04)	(0.05)	(0.02)	(0.01)
Adjusted EPS	1.34	1.24	0.66	0.47	0.48	0.30

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# Reconciliation of Non-GAAP Financial Measures



**Financial Summary (Non-GAAP)**  
Consolidated  
(In thousands)  
(Unaudited)

	2020	2019	2018	2017	2016	2015
<b>Operating Activities</b>						
Net earnings (loss)	\$ 33,166	\$ (12,426)	\$ 15,012	\$ 15,934	\$ 8,603	\$ (17,480)
Depreciation & amortization	14,187	11,180	10,370	9,937	7,903	7,437
Asset impairments	-	53,131	-	-	406	2,234
Other non-cash charges	33,403	(12,958)	2,579	8,649	11,846	21,709
Changes in assets and liabilities	(16,424)	(4,746)	(19,935)	(12,504)	(5,430)	(1,044)
<b>Net cash provided by operating activities (A)</b>	<b>64,332</b>	<b>34,181</b>	<b>8,026</b>	<b>22,016</b>	<b>23,328</b>	<b>12,856</b>
<b>Capital expenditures (B)</b>	<b>(14,534)</b>	<b>(10,042)</b>	<b>(8,985)</b>	<b>(5,340)</b>	<b>(13,410)</b>	<b>(4,895)</b>
Acquisition of business, net of cash	(18,050)	(88,938)	(5,200)	(28,903)	-	-
Proceeds from sale of business	47,500	-	-	-	-	-
Proceeds from long-term debt	16,000	92,000	7,684	32,919	10	-
Payments on long-term debt	(81,000)	(30,175)	(66)	(15,070)	(5,058)	(75)
Payment of dividends	(3,565)	(3,572)	(3,516)	(3,508)	(3,444)	(3,426)
Purchase and retirement of common stock	(7,503)	(793)	(656)	-	(2,000)	-
Other	(1,534)	(751)	(3,371)	(632)	(86)	(329)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ 1,646</b>	<b>\$ (8,090)</b>	<b>\$ (6,084)</b>	<b>\$ 1,482</b>	<b>\$ (660)</b>	<b>\$ 4,131</b>
<b>Free cash flow (A-B)</b>	<b>\$ 49,798</b>	<b>\$ 24,139</b>	<b>\$ (959)</b>	<b>\$ 16,676</b>	<b>\$ 9,918</b>	<b>\$ 7,961</b>

# Reconciliation of Non-GAAP Financial Measures

## Financial Summary (Non-GAAP)

Consolidated\*

(In thousands)

(Unaudited)

	2021**	2020	2019	2018	2017	2016	2015
Operating income (loss)	\$ 73,821	\$ 48,848	\$ 47,614	\$ 22,518	\$ 19,349	\$ 24,699	\$ 12,807
Less income tax expense	(21,549)	(9,867)	(10,355)	(3,334)	(2,382)	(6,645)	(13,366)
<b>Net operating profit after taxes (A)</b>	<b>52,272</b>	<b>38,981</b>	<b>37,259</b>	<b>19,184</b>	<b>16,967</b>	<b>18,054</b>	<b>(559)</b>
Beginning shareholders' equity	200,159	171,747	186,082	168,269	152,952	148,491	168,618
Ending shareholders' equity	254,589	200,159	171,747	186,082	168,269	152,952	148,491
Average shareholders' equity	227,374	185,953	178,915	177,176	160,611	150,722	158,555
Beginning long-term debt, including current portion	23,639	88,847	25,607	17,989	139	5,187	5,261
Ending long-term debt, including current portion	38,282	23,639	88,847	25,607	17,989	139	5,187
Average long-term debt, including current portion	30,961	56,243	57,227	21,798	9,064	2,663	5,224
<b>Total average long-term debt and shareholders' equity (B)</b>	<b>258,335</b>	<b>242,196</b>	<b>236,142</b>	<b>198,974</b>	<b>169,675</b>	<b>153,385</b>	<b>163,779</b>
<b>Return on Invested Capital (A/B)</b>	<b>20%</b>	<b>16%</b>	<b>16%</b>	<b>10%</b>	<b>10%</b>	<b>12%</b>	<b>0%</b>

\*Based on Item 6, Selected Financial Data, from the Company's Form 10K for the selected years.

\*\*Based on Midpoint Forecast

# Reconciliation of Non-GAAP Financial Measures

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

The Shift Group, Inc.	Forecast		
	Twelve Months Ended December 31, 2021		
	Low	Mid	High
Income from continuing operations	\$ 51,028	\$ 54,628	\$ 58,328
Add:			
Depreciation and amortization	13,462	13,462	13,462
Interest expense	1,295	1,295	1,295
Taxes	17,793	19,193	20,493
EBITDA	\$ 83,578	\$ 88,578	\$ 93,578
Add (subtract):			
Non-cash stock-based compensation and other charges	11,422	11,422	11,422
Adjusted EBITDA	\$ 95,000	\$ 100,000	\$ 105,000
Earnings per share	\$ 1.42	\$ 1.52	\$ 1.62
Add:			
Non-cash stock-based compensation and other charges	0.32	0.32	0.32
Less tax effect of adjustments	(0.09)	(0.09)	(0.09)
Adjusted earnings per share	\$ 1.65	\$ 1.75	\$ 1.85



Thank you.

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