



# Accelerating Growth with EV Investor Event

October 4, 2022

**SHYFT** GROUP

# 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](http://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.



# Agenda



## Introduction

*Randy Wilson, Vice President, Investor Relations & Treasury*



## Right to Play

*Daryl Adams, President & Chief Executive Officer*



## Right to Win

*Daryl Adams, President & Chief Executive Officer*



## Right to Grow

*Jon Douyard, Chief Financial Officer*



## Question & Answer Session



# Right to Play

Daryl Adams, President & CEO





# Building on our Transformation

Delivering shareholder value through innovation

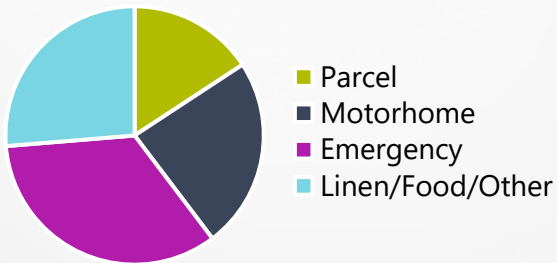
**2015\***



**\$105M Market Cap**

\$3.11 Share Price

**\$550M Sales**



**2.0% Adjusted EBITDA**

*\*Includes operations discontinued in 2020*

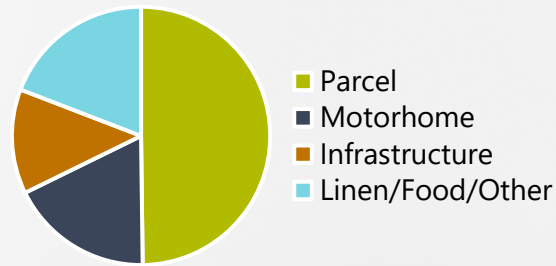
**2021**



**\$735M Market Cap**

\$20.96 Share Price\*

**\$992M Sales**



**10.9% Adjusted EBITDA**

*\*As of October 3, 2022*

## Transformative Actions

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

**Deployed over \$100M toward M&A**  
on 4 strategic transactions with active pipeline

**Focused on lean initiatives**  
across factories

**Built out footprint**  
Coast-to-coast flexible manufacturing

**Strengthened management team**  
to support accelerated growth

Our success has enabled investment to fund next **GROWTH** phase



# Launched Blue Arc to Support the EV Transition

Our industry has a responsibility to create a more environmentally sustainable future

## Customers

### Customer Demand

Customers asked us to engage

### Trusted Partner

Leader in the last-mile delivery industry



## Sustainable Innovation

### Green Mandates

Customer ESG pledges to reduce emissions

### Regulatory Support

Governmental mandates and incentives accelerating EV adoption

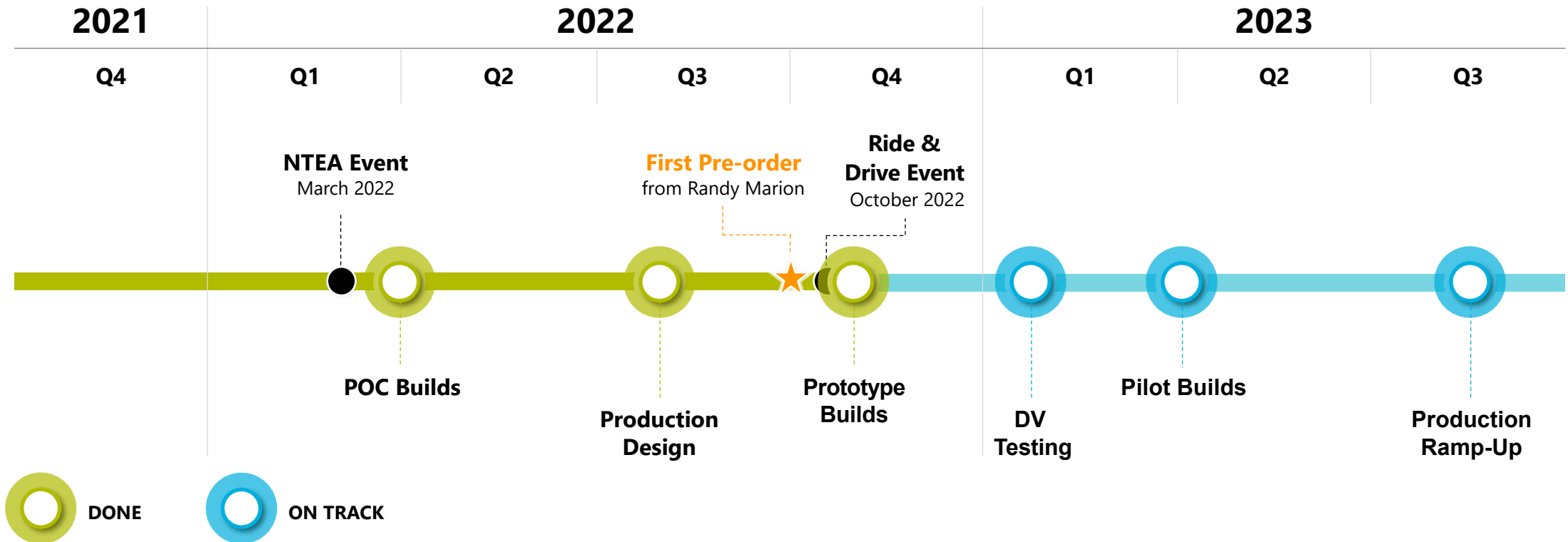
We are well-positioned to be a leader in a greener future



# EV Project Remains on Track

Meeting timeline commitments to deliver a world-class product on time and on budget

## Program Timeline and Manufacturing Plan



# Right to Win

Daryl Adams, President & CEO





# Our Expertise Applied

Building on nearly  
**50 years experience**



custom  
shelving

lightweight  
material

ergonomic  
designs

powertrain

steering  
and cockpit

suspension



lightweight EV  
delivery van



## Chassis

**Strong Engineering &  
Manufacturing Capabilities**



## Body

**Customer Centric Solutions**



## Blue Arc

**Best in Class Vehicle**



# OEM Purpose Built Chassis

Supported by World Class Suppliers

## Purpose-Built Flat Modular Solution

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

## Battery specifications

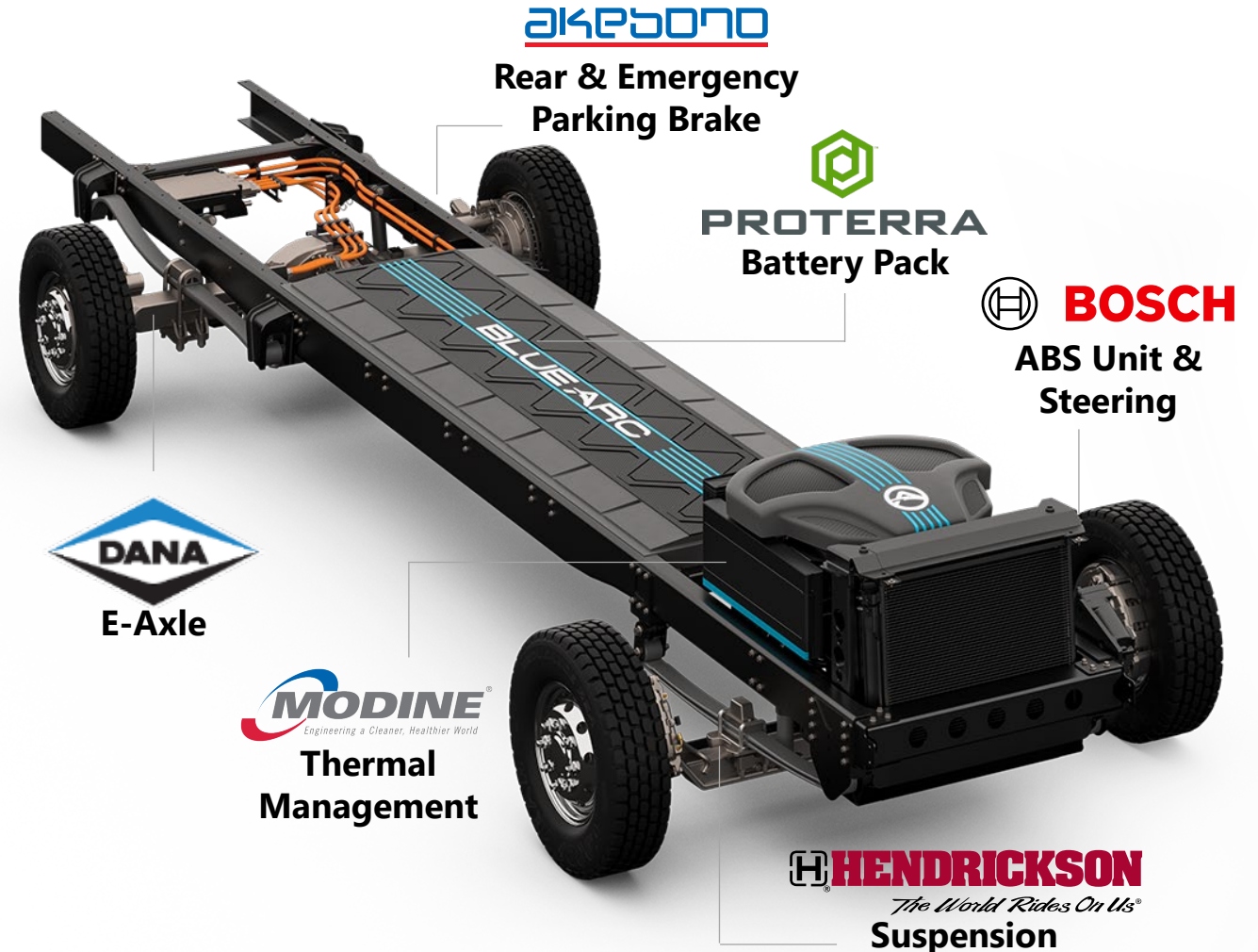
- 120-240 kWh packs (Li-ion-NMC)
- 150-175 mile range @ 50% payload
- Charge time of 2-6 hours

## Performance

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

## Optimized Flat Modular Design

- Vehicle class and application agnostic



# Customer Responsive Cab Design

## Reimagined Delivery Van

### Efficiency

- Lightweight aluminum composite body panels and shelving

### Convenience

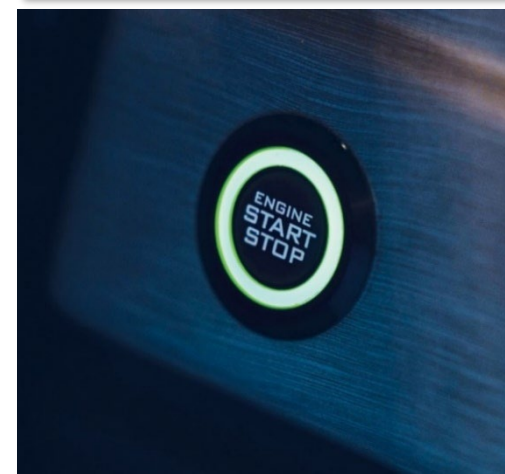
- Translucent shelving for improved bottom shelf visibility
- Automatic electric bulkhead and roll up rear door with handsfree keyless proximity sensor activation
- Integrated flat solar panels in roof
- Lower composite cladding for easy repair or replacement

### Comfort

- Automotive grade, modular cab design for customization
- Driver centric, ergonomic designed cab
- Optimized step height & width

### Safety

- Dual application display for turn-by-turn directions and 360-degree camera for safety
- Improved lighting with high visibility taillights and strobe lights



# We Stand Alone

Only integrated Class 3-5 EV Manufacturer



Class 2



Class 3



Class 4



Class 5



Class 6 / 7

Chassis

ICE Conversion Only



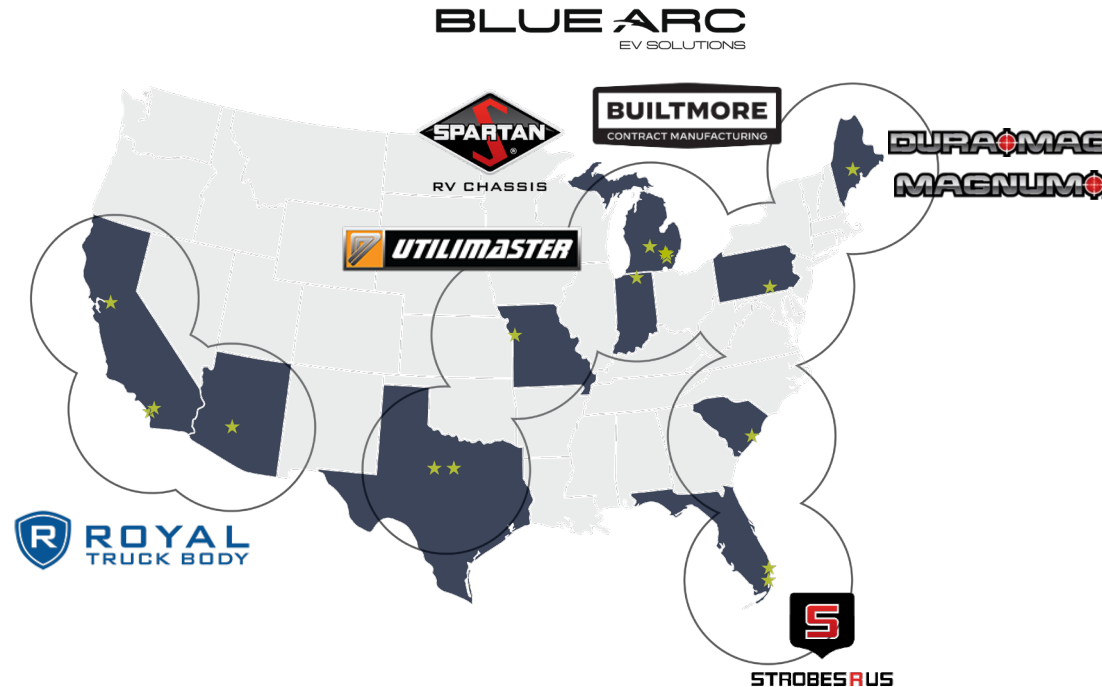
# Operational Excellence

North American leader in specialty vehicle manufacturing & assembly for commercial end-markets

## Track Record

Leverage deep expertise managing a **national footprint** of manufacturing facilities

**Strong operational managers** skilled in lean and standing up new production lines



## Blue Arc EV Production

Initial production to leverage **existing manufacturing footprint**

Demonstrated **agility to add capacity** if needed to meet customer demand



# Engineering Talent and Culture of Innovation

Demonstrated speed to market and industry design work

## Charging Infrastructure

Power Cube™ offers the ability to charge fleet without significant investment



## Modular Cab Design

Automotive grade, modular cab design for customization



## Scalable Chassis Design

Ability to meet customer needs for walk-in van body lengths, weight and payloads



# Opportunity to Accelerate Growth with EVs

- Nearly 50 years of R&D, engineering, and manufacturing experience
- Commercial-grade expertise & design
- Customer focused innovation with tailored solutions
- Positioned to deliver products, performance, and quality at scale



# Right to Grow

Jon Douyard, Chief Financial Officer





# Realizing Our Growth Potential

Blue Arc unlocks significant financial opportunity for Shyft



**Revenue Multiplier** compared to traditional body build



**Market Expansion** presents organic growth opportunity



**Committed Financing** to support growth strategy including EV



# Incremental Financial Opportunity for Shyft

Transitioning from body builder to integrated vehicle OEM opens new markets

## Shyft Scope

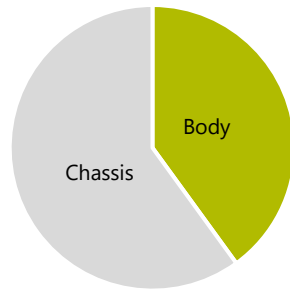
## Market Expansion\*

## Revenue Contribution

Market Available to Shyft



Body Builder



~\$5B  
TAM

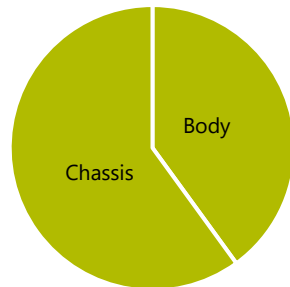
~\$30-40K  
per Body

Access to  
Sizeable  
Chassis Market

Price  
Opportunity  
Increases by >4x



Vehicle OEM



~\$20B+  
TAM

>\$150K  
per Vehicle



\* Sources include S&P Global Mobility, SpecialtyResearch.net (SRC) and management estimates

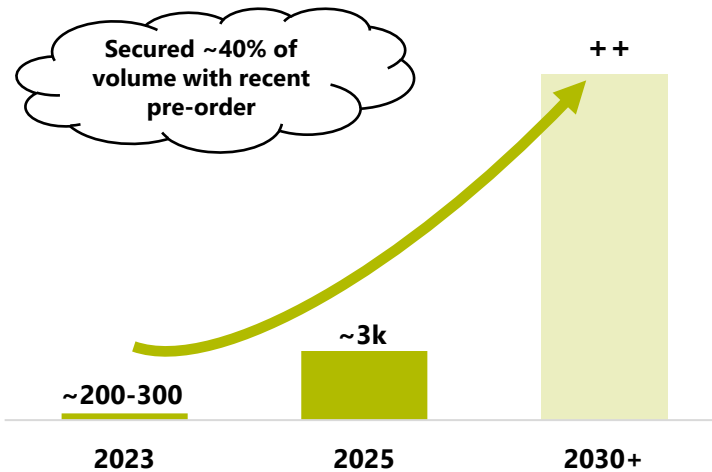
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# EV Market Accelerates Organic Growth Opportunity

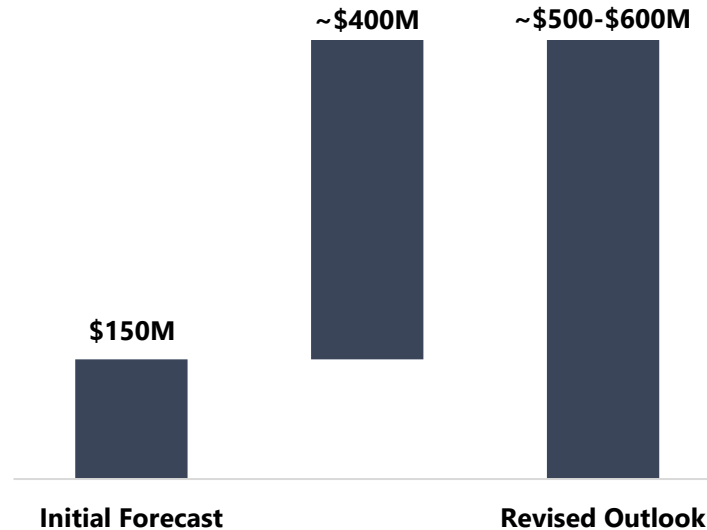
Industry leading EV well-positioned to deliver financially

## Blue Arc Unit Volume



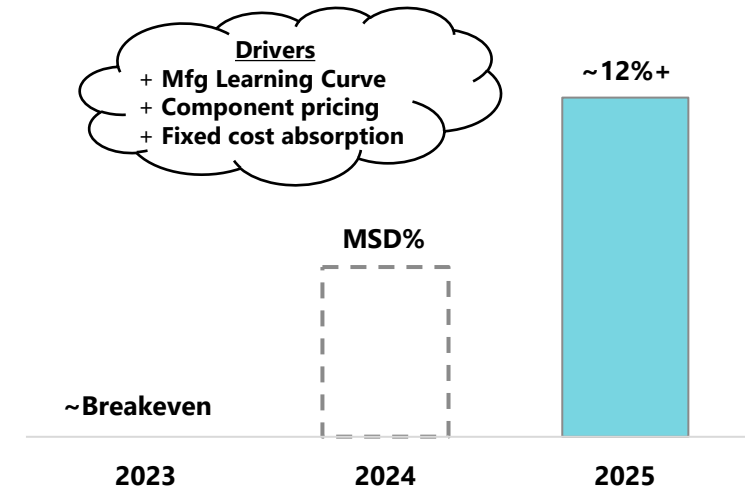
EV adoption not overnight  
but accelerates after 2025

## 2025 EV Revenue



Positive market reaction drives  
enhanced revenue potential

## EBITDA Margins



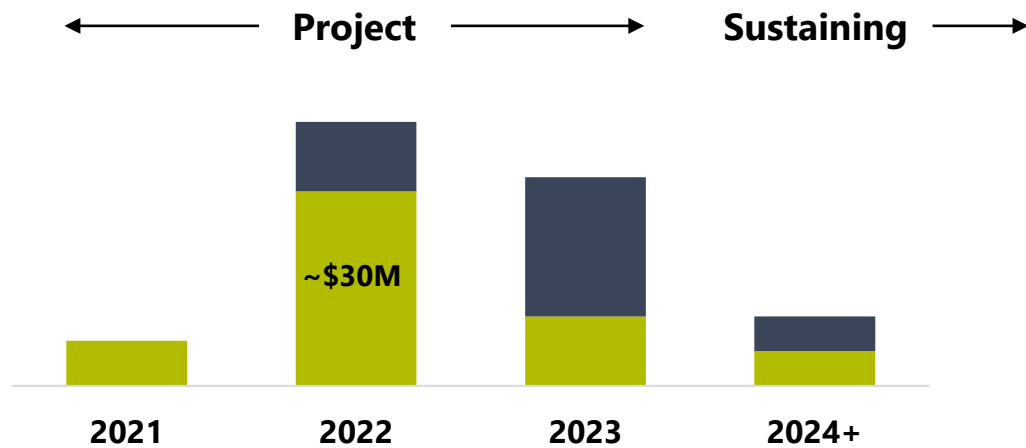
Payback by 2025 on initial investment



# Strong Financial Position Supports Blue Arc Launch

No incremental funding needed given solid balance sheet and liquidity position

## Disciplined EV Investment



**EV project investment on track** to deliver on-time and on-spec

**Prudently spending** as R&D declines and Cap Ex supports EV production ramp up

## Disciplined Capital Management

- A Solid Free Cash Flow Generation**  
driven by Fleet Vehicle and Specialty Vehicle businesses
- B Ample Liquidity**  
with \$400M of committed revolver financing
- C Low Net Leverage**  
at ~1x at the end of Q2 2022
- D Flexible Capital Structure**  
enables future growth opportunities



# Energized for the Future

Creating shareholder value through innovation



## Right to Play

### Why believe us?

- ✓ Management track record of transforming the company
- ✓ Trusted partner & industry leader
- ✓ Delivered on all key EV development milestones



## Right to Win

### Why can we execute?

- ✓ Deep design and manufacturing experience
- ✓ Best-in-class commercial grade product
- ✓ Long-standing relationships with blue chip customers



## Right to Grow

### Why invest?

- ✓ Attractive end-markets
- ✓ Rock solid balance sheet
- ✓ Positive investment returns

**Compelling Industrial Growth Investment at an Attractive Value**





# Q&A Session

Webcast Participants - Please Email Your Questions:  
[Investor.Relations@theshyftgroup.com](mailto:Investor.Relations@theshyftgroup.com)



Thank you.