

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): October 27, 2022

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.

Item 2.02 Results of Operations and Financial Condition

On October 27, 2022, The Shyft Group, Inc. issued a press release announcing its financial results for the quarter ended September 30, 2022, along with an accompanying investor presentation. Copies of the press release and investor presentation are attached to this Current Report as Exhibits 99.1 and 99.2.

The information in this Item 2.02 and the attached Exhibits 99.1 and 99.2 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 [Press Release dated October 27, 2022 regarding the financial results for the quarter ended September 30, 2022.](#)

99.2 [Investor presentation dated October 27, 2022 regarding the financial results for the quarter ended September 30, 2022.](#)

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.

THE SHYFT GROUP, INC.

Dated: October 27, 2022

By: /s/ Jonathan C. Douyard
Jonathan C. Douyard
Chief Financial Officer

The Shyft Group Reports Third Quarter 2022 Results

***Sales up 5%; Backlog remains strong at \$1 billion
Tightened full-year 2022 EPS outlook***

Novi, Mich., October 27, 2022 – The Shyft Group, Inc. (NASDAQ: SHYF) (“Shyft” or the “Company”), the North American leader in specialty vehicle manufacturing, assembly and upfit for the commercial, retail and service specialty vehicle markets, today reported operating results for the third quarter ending September 30, 2022.

Third Quarter 2022 Financial Highlights¹

For the third quarter of 2022 compared to the third quarter of 2021:

- Sales of \$286.1 million, an increase of \$13.5 million, or 4.9%, from \$272.6 million.
- Earnings of \$17.3 million, or \$0.49 per share, compared to \$21.0 million, or \$0.58 per share.
- Adjusted EBITDA of \$27.1 million, or 9.5% of sales, a decrease of \$6.6 million, from \$33.7 million, or 12.4% of sales. Results include \$7.7 million of EV development costs.
- Adjusted net income of \$18.6 million, or \$0.53 per share, compared to adjusted net income of \$22.9 million, or \$0.63 per share in the third quarter of 2021.
- Consolidated backlog at September 30, 2022, totaled \$1.0 billion, up \$191.3 million, or 22.4%, compared to \$852.6 million at September 30, 2021, reflecting continued strong demand across all business units.
- Secured initial pre-order for Blue Arc™ Electric Delivery Walk-In Vans from Randy Marion Dealer Group of 2,000-units.

“I am incredibly proud of the Shyft Group team as we delivered positive operating results, with strong execution in an environment that remains highly dynamic and challenging. The Specialty Vehicles business produced record profitability while Fleet Vehicles and Services improved sequentially as chassis availability returned to more healthy levels,” said Daryl Adams, President and Chief Executive Officer. “The excitement around our Blue Arc Solutions remains extremely high as demonstrated by our initial pre-order and positive customer feedback. We are pleased with our progress to date and believe we are on-track for mid-2023 production.”

Fleet Vehicles and Services (FVS)

FVS segment sales were \$184.5 million, a decrease of \$6.9 million, or 3.6%, from \$191.4 million due to lower volume.

Adjusted EBITDA was \$24.4 million, or 13.2% of sales, compared to \$36.4 million, or 19.0% of sales, a year ago. The decrease was primarily driven by lower volume and production inefficiencies due to supply chain challenges along with material and labor cost inflation, partially offset by pricing actions and mix.

The segment backlog at September 30, 2022, totaled \$915.1 million and was up 22.1% compared to \$749.7 million at September 30, 2021.

¹ Results reflected are for Continuing Operations; The Company divested its Emergency Response Vehicles (ERV) business effective February 1, 2020. Accordingly, the financial results of ERV have been classified as discontinued operations for all periods presented. Unless otherwise noted, financial results presented are based on continuing operations.



Specialty Vehicles (SV)

SV segment sales were \$103.9 million, an increase of \$22.7 million, or 27.9%, from \$81.2 million a year ago. This was due to continued strong performance in luxury motorhome chassis and service body sales as well as the impact of pricing actions.

Adjusted EBITDA was \$15.6 million, or 15.0% of sales, an increase of \$9.3 million, or 148.9%, from \$6.2 million, or 7.7% of sales, a year ago. The increase was primarily due to higher sales volume, pricing actions and improved product mix, partially offset by material and labor cost inflation.

The segment backlog as of September 30, 2022, totaled \$128.8 million and was up 25.2% compared to \$102.9 million at September 30, 2021.

2022 Outlook

“Given our third quarter performance, chassis visibility for the balance of the year, and our strong backlog, we are tightening our full year guidance,” said Jon Douyard, Chief Financial Officer. “Our balance sheet and liquidity remain strong, and while free cash flow performance has been challenging year-to-date, we expect to see recovery in the fourth quarter as completion and delivery of vehicles improves.”

Guidance for full-year 2022, notwithstanding further chassis and supply chain related issues, is as follows:

- Revenue to be in the range of \$1.0 billion to \$1.1 billion
- Adjusted EBITDA of \$62.5 to \$72.5 million, including approximately \$30 million of expenses related to EV development
- Income from continuing operations of \$29.7 to \$37.6 million
- Earnings per share of \$0.83 to \$1.05
- Adjusted earnings per share of \$1.02 to \$1.24

Adams concluded, “Our team is working hard to maintain our positive momentum and close out the year strong, while executing our long-term growth strategy. We believe the strength of our portfolio, talented team, and operations provides a strong foundation to continue delivering meaningful shareholder value through 2022 and beyond.”

Conference Call and Webcast Information

The Shyft Group will host a conference call at 10 a.m. ET today to discuss these results and current business trends. The conference call and webcast will be available via:

Webcast: www.the-shyftgroup.com/webcasts

Conference Call: 1-844-868-8845 (domestic) or 412-317-6591 (international); passcode: 10163195

For more information about Shyft, please visit www.theshyftgroup.com.



The Shyft Group, Inc.

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 includes Blue Arc™ EV Solutions, 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 3,800 employees and contractors across campuses, and operates facilities in Michigan, Indiana, Maine, Pennsylvania, South Carolina, Florida, Missouri, California, Arizona, Texas, and Saltillo, Mexico. The Company reported sales of \$992 million in 2021. Learn more about The Shyft Group at TheShyftGroup.com.

This release 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 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 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 Shyft Group, Inc.

The Shyft Group, Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands)
(Unaudited)

	September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,862	\$ 37,158
Accounts receivable, less allowance of \$176 and \$187	87,673	87,262
Contract assets	87,099	21,483
Inventories	111,213	67,184
Other receivables - chassis pool agreements	24,277	9,926
Other current assets	12,813	10,813
Total current assets	325,937	233,826
Property, plant and equipment, net	66,970	61,057
Right of use assets – operating leases	53,156	43,316
Goodwill	48,880	48,880
Intangible assets, net	50,054	52,981
Net deferred tax asset	4,816	4,880
Other assets	1,886	2,927
TOTAL ASSETS	\$ 551,699	\$ 447,867
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 106,621	\$ 82,442
Accrued warranty	6,432	5,975
Accrued compensation and related taxes	15,559	19,064
Contract liabilities	10,601	988
Operating lease liability	10,060	7,934
Other current liabilities and accrued expenses	11,703	9,256
Short-term debt - chassis pool agreements	24,277	9,926
Current portion of long-term debt	190	252
Total current liabilities	185,443	135,837
Other non-current liabilities	6,576	8,108
Long-term operating lease liability	44,660	36,329
Long-term debt, less current portion	65,222	738
Total liabilities	301,901	181,012
Shareholders' equity:		
Preferred stock, no par value: 2,000 shares authorized (none issued)	-	-
Common stock, no par value : 80,000 shares authorized; 35,063 and 35,416 outstanding	90,160	95,375
Retained earnings	159,537	171,379
Total The Shyft Group, Inc. shareholders' equity	249,697	266,754
Non-controlling interest	101	101
Total shareholders' equity	249,798	266,855
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 551,699	\$ 447,867



The Shyft Group, Inc.

The Shyft Group, Inc. and Subsidiaries
Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Sales	\$ 286,075	\$ 272,622	\$ 725,153	\$ 714,492
Cost of products sold	231,979	216,564	603,008	566,542
Gross profit	54,096	56,058	122,145	147,950
Operating expenses:				
Research and development	7,051	2,582	19,541	4,304
Selling, general and administrative	25,033	25,368	78,445	78,645
Total operating expenses	32,084	27,950	97,986	82,949
Operating income	22,012	28,108	24,159	65,001
Other income (expense):				
Interest expense	(1,137)	(253)	(1,754)	(310)
Other income (expense)	181	54	(342)	743
Total other income (expense)	(956)	(199)	(2,096)	433
Income from continuing operations before income taxes	21,056	27,909	22,063	65,434
Income tax expense	3,770	6,910	3,346	15,952
Income from continuing operations	17,286	20,999	18,717	49,482
Income from discontinued operations, net of income taxes	-	-	-	81
Net income	17,286	20,999	18,717	49,563
Less: net income attributable to non-controlling interest	-	77	-	1,102
Net income attributable to The Shyft Group, Inc.	\$ 17,286	\$ 20,922	\$ 18,717	\$ 48,461
Basic earnings per share				
Continuing operations	\$ 0.49	\$ 0.59	\$ 0.53	\$ 1.37
Discontinued operations	-	-	-	-
Basic earnings per share	\$ 0.49	\$ 0.59	\$ 0.53	\$ 1.37
Diluted net earnings per share				
Continuing operations	\$ 0.49	\$ 0.58	\$ 0.53	\$ 1.34
Discontinued operations	-	-	-	-
Diluted earnings per share	\$ 0.49	\$ 0.58	\$ 0.53	\$ 1.34
Basic weighted average common shares outstanding	35,056	35,346	35,071	35,330
Diluted weighted average common shares outstanding	35,365	36,074	35,481	36,024



The Shyft Group, Inc.

The Shyft Group, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(In thousands, except par value)
(Unaudited)

	Nine Months Ended	
	September 30,	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 18,717	\$ 49,563
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	10,055	8,312
Non-cash stock based compensation expense	4,922	6,571
Deferred income taxes	64	134
Loss (gain) on disposal of assets	481	(104)
Changes in accounts receivable and contract assets	(66,026)	(35,842)
Changes in inventories	(44,029)	(35,473)
Changes in accounts payable	24,708	43,230
Changes in accrued compensation and related taxes	(3,505)	910
Changes in accrued warranty	457	1,626
Changes in other assets and liabilities	9,663	3,396
Net cash provided by (used in) operating activities	(44,493)	42,323
Cash flows from investing activities:		
Purchases of property, plant and equipment	(14,228)	(18,238)
Proceeds from sale of property, plant and equipment	148	16
Acquisition of business, net of cash acquired	-	904
Net cash used in investing activities	(14,080)	(17,318)
Cash flows from financing activities:		
Proceeds from long-term debt	120,000	25,000
Payments on long-term debt	(55,000)	(47,400)
Payments of dividends	(5,395)	(2,660)
Purchase and retirement of common stock	(26,789)	(3,348)
Issuance and vesting of stock incentive awards	(8,539)	(3,043)
Net cash provided by (used in) financing activities	24,277	(31,451)
Net decrease in cash and cash equivalents	(34,296)	(6,446)
Cash and cash equivalents at beginning of year	37,158	20,995
Cash and cash equivalents at end of year	\$ 2,862	\$ 14,549



The Shyft Group, Inc.

The Shyft Group, Inc. and Subsidiaries
Sales and Other Financial Information by Business Segment
(Unaudited)

Quarter Ended September 30, 2022 (in thousands of dollars)

	Business Segments			Consolidated
	Fleet Vehicles & Services	Specialty Vehicles	Eliminations & Other	
Fleet vehicle sales	\$ 173,673	\$ -	\$ -	\$ 173,673
Motorhome chassis sales	-	50,399	-	50,399
Other specialty vehicles sales	-	48,570	(2,335)	46,235
Aftermarket parts and accessories sales	10,821	4,947	-	15,768
Total Sales	\$ 184,494	\$ 103,916	\$ (2,335)	\$ 286,075
Adjusted EBITDA	\$ 24,361	\$ 15,550	\$ (12,849)	\$ 27,062

The Shyft Group, Inc. and Subsidiaries
Sales and Other Financial Information by Business Segment
(Unaudited)

Quarter Ended September 30, 2021 (in thousands of dollars)

	Business Segments			Consolidated
	Fleet Vehicles & Services	Specialty Vehicles	Eliminations & Other	
Fleet vehicle sales	\$ 182,438	\$ -	\$ -	\$ 182,438
Motorhome chassis sales	-	42,507	-	42,507
Other specialty vehicles sales	-	33,773	-	33,773
Aftermarket parts and accessories sales	8,949	4,955	-	13,904
Total Sales	\$ 191,387	\$ 81,235	\$ -	\$ 272,622
Adjusted EBITDA	\$ 36,393	\$ 6,247	\$ (8,900)	\$ 33,740

The Shyft Group, Inc. and Subsidiaries
Sales and Other Financial Information by Business Segment
(Unaudited)

Period End Backlog (amounts in thousands of dollars)

	Sept. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021	Sept. 30, 2021
Fleet Vehicles and Services	\$ 915,135	\$ 1,000,021	\$ 1,148,700	\$ 859,442	\$ 749,731
Motorhome Chassis	49,769	62,811	61,297	54,583	60,978
Other Specialty Vehicles	78,794	72,058	62,406	49,407	41,504
Aftermarket Parts and Accessories	206	293	296	127	347
Total Specialty Vehicles	128,769	135,162	123,999	104,117	102,829
Total Backlog	\$ 1,043,904	\$ 1,135,183	\$ 1,272,699	\$ 963,559	\$ 852,560



The Shyft Group, Inc.

Reconciliation of Non-GAAP Financial Measures

This release 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.



The Shyft Group, Inc.

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 September 30,			
	2022	% of sales	2021	% of sales
Income from continuing operations	\$ 17,286	6.0%	\$ 20,999	7.7%
Net (income) attributable to non-controlling interest	-		(77)	
Add (subtract):				
Restructuring and other related charges	53		-	
Acquisition related expenses and adjustments	243		594	
Non-cash stock-based compensation expense	1,214		2,079	
Tax effect of adjustments	(226)		(733)	
Adjusted net income	<u>\$ 18,570</u>	<u>6.5%</u>	<u>\$ 22,862</u>	<u>8.4%</u>
Income from continuing operations	\$ 17,286	6.0%	\$ 20,999	7.7%
Net (income) attributable to non-controlling interest	-		(77)	
Add (subtract):				
Depreciation and amortization	3,359		2,982	
Income tax expense	3,770		6,910	
Interest expense	1,137		253	
EBITDA	<u>\$ 25,552</u>	<u>8.9%</u>	<u>\$ 31,067</u>	<u>11.4%</u>
Add:				
Restructuring and other related charges	53		-	
Acquisition related expenses and adjustments	243		594	
Non-cash stock-based compensation expense	1,214		2,079	
Adjusted EBITDA	<u>\$ 27,062</u>	<u>9.5%</u>	<u>\$ 33,740</u>	<u>12.4%</u>
Diluted net earnings per share	\$ 0.49		\$ 0.58	
Add (subtract):				
Acquisition related expenses and adjustments	-		0.01	
Non-cash stock-based compensation expense	0.04		0.06	
Tax effect of adjustments	-		(0.02)	
Adjusted diluted net earnings per share	<u>\$ 0.53</u>		<u>\$ 0.63</u>	



The Shyft Group, Inc.

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	\$ 29,655	\$ 33,614	\$ 37,572
Add:			
Depreciation and amortization	13,500	13,500	13,500
Interest Expense	3,000	3,000	3,000
Taxes	7,883	8,935	9,988
EBITDA	\$ 54,038	\$ 59,049	\$ 64,060
Add:			
Non-cash stock-based compensation and other charges	8,450	8,450	8,450
Adjusted EBITDA	\$ 62,488	\$ 67,499	\$ 72,510
Earnings per share	\$ 0.83	\$ 0.94	\$ 1.05
Add:			
Non-cash stock-based compensation and other charges	0.24	0.24	0.24
Less tax effect of adjustments	(0.05)	(0.05)	(0.05)
Adjusted earnings per share	\$ 1.02	\$ 1.13	\$ 1.24



The Shyft Group, Inc.



Third Quarter 2022 Earnings Conference Call

October 27, 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. 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 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.



"I am incredibly proud of the Shyft Group team as we delivered positive operating results, with strong execution in an environment that remains highly dynamic and challenging. The Specialty Vehicles business produced record profitability while Fleet Vehicle and Services improved sequentially as chassis availability returned to more healthy levels. The excitement around our Blue Arc Solutions remains extremely high as demonstrated by our initial pre-order and positive customer feedback. We are pleased with our progress to date and believe we are on-track for mid-2023 production."

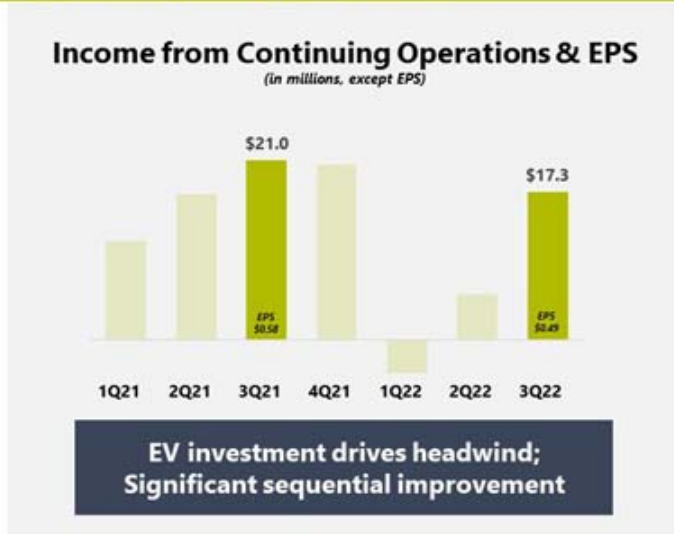
Daryl Adams
President and CEO, The Shyft Group



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Shyft Financial Summary – 3Q22

Generated improved results despite dynamic operating environment



Business Update

Fleet Vehicles and Services



Significant ramp of Velocity R2 production in the quarter;
Showcased at the FedEx Ground Contractor's Expo

Specialty Vehicles



Royal Truck XP body shipments continue to ramp up to meet
strong customer demand across the country

Blue Arc™ EV Update

High level of customer interest for Blue Arc EV Solutions



Significant pre-order for 2,000 vehicles announced in September

*"You can tell the guys that put this together know commercial trucks. That is the bottom line."
- Commercial Vehicle Dealer*

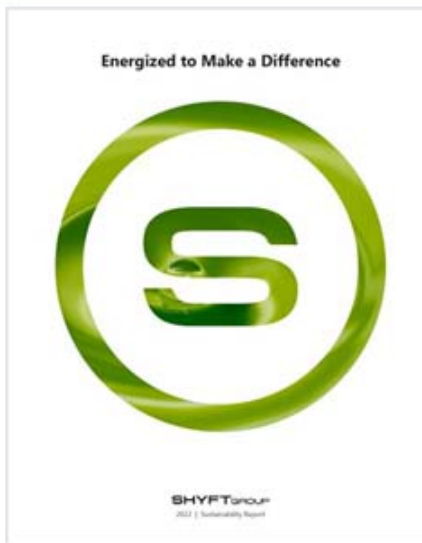
*"Amazing acceleration and deceleration. Felt I was in control the whole time. I think it is going to be a great asset"
- Commercial Vehicle Dealer*

*"Blue Arc and Shyft are leveraging their experience to have a nicely finished product. A lot of customers are going to get behind the wheel and be impressed."
- Automotive Reporter*

Positive receptivity from key stakeholders at Blue Arc showcase

Inaugural Sustainability Report

Energized to make a difference



Environmental

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

Social

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

Governance

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



Financial Review Third Quarter 2022



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Shyft Financial Summary – 3Q22

Q3 performance shows notable recovery versus the 1st half of the year

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



12% Adjusted EBITDA, excluding ~\$8M of EV development costs

Adjusted Net Income & Adjusted EPS *(in millions, except EPS)*



Meaningful improvement versus 1st half

Fleet Vehicles and Services – 3Q22

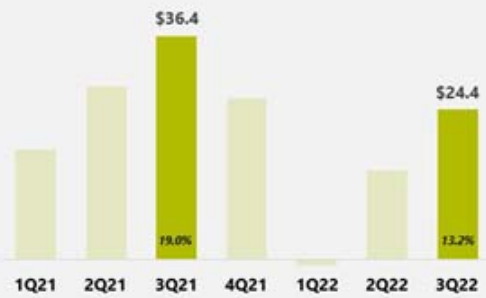
Production increased as chassis availability normalized

Revenue
(in millions)



Backlog of \$915M up 22% YoY

Adjusted EBITDA & % of Sales
(in millions)

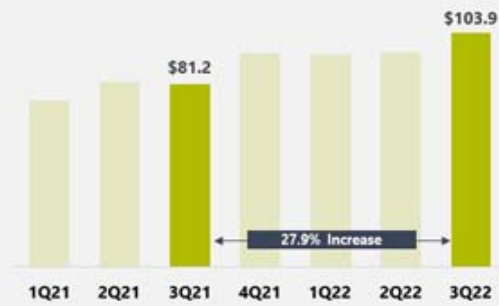


Sequential improvement, but supply chain inefficiencies remain

Specialty Vehicles – 3Q22

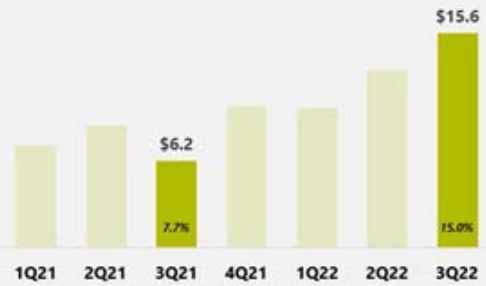
Strong growth across all product lines

Revenue
(in millions)



Backlog of \$129M, up 25% YoY

Adjusted EBITDA & % of Sales
(in millions)



**Record profitability;
margins expanded by 730bps YoY**

Liquidity & Outlook

Balance sheet remains healthy; Outlook narrowed

Liquidity & Leverage



- Total liquidity of \$168M, including \$165M of borrowing capacity
- Current leverage ratio at ~1.4x adjusted EBITDA
- No share repurchases in the quarter

Full-Year 2022 Outlook

	Updated	YoY Change (at midpoint)
Revenue	\$1,000 - \$1,100	6%
Core Shyft	\$ 92.5 - \$102.5	(15%)
EV Development	—(\$30)	
Adjusted EBITDA	\$62.5 - 72.5	(38%)
Income from Continuing Ops	\$29.7 - \$37.6	(52%)
Earning Per Share	\$0.83 - \$1.05	(51%)
Adjusted Earnings Per Share	\$1.02 - \$1.24	(46%)

- Full Year CapEx forecast of ~\$25M
- Return to positive cash flow in the 4th quarter

Why Invest in the Shyft Group?

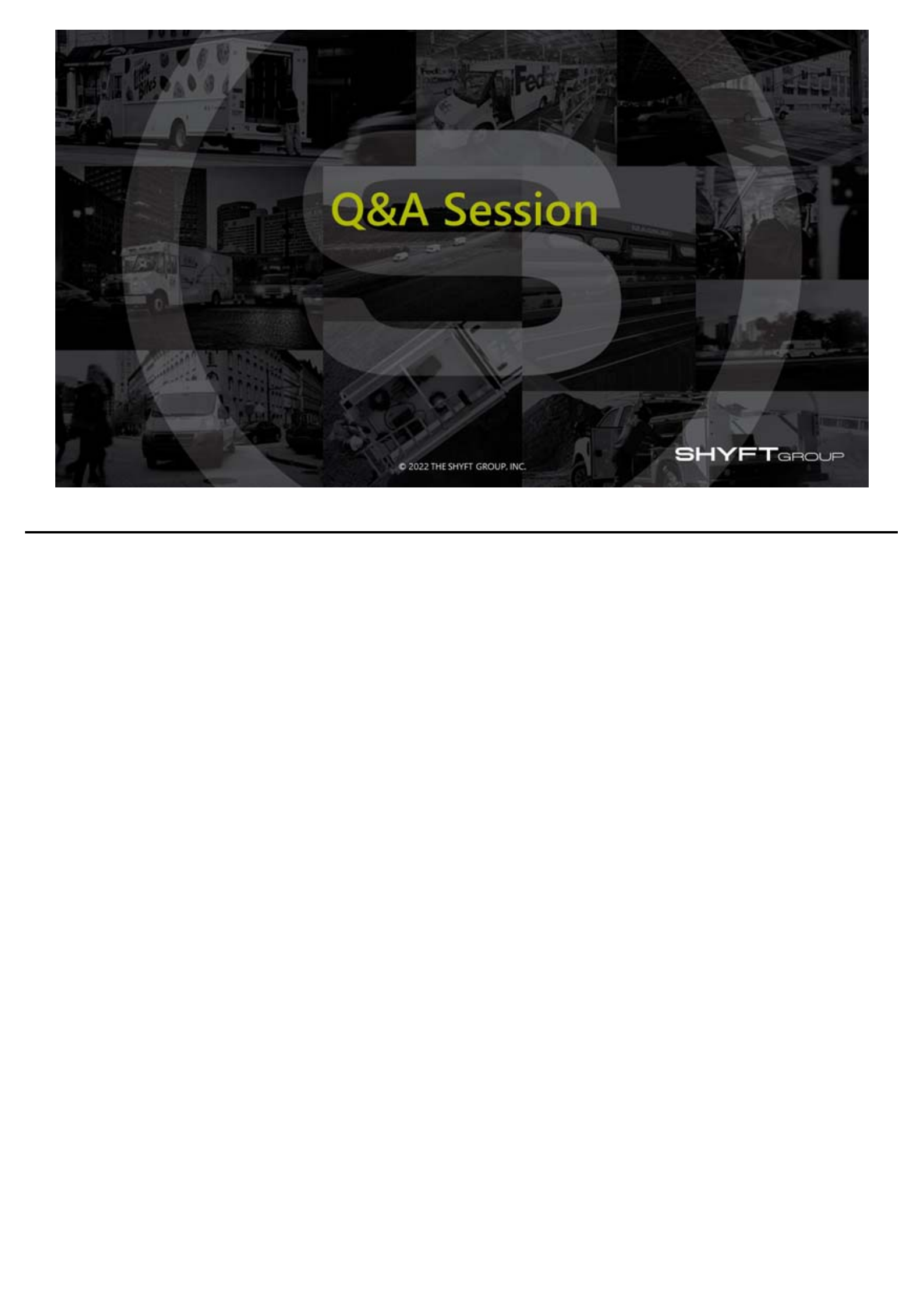
Compelling Industrial Growth Investment at an Attractive Value

1 Positive Q3 performance with strong execution

2 Continuing to differentiate the Shyft Group as an investment

3 Disciplined capital allocation strategy





Q&A Session

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SHYFT GROUP

Appendix



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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.	Three Months Ended September 30,			
	2022	% of sales	2021	% of sales
Income from continuing operations	\$ 17,286	6.0%	\$ 20,999	7.7%
Net (income) attributable to non-controlling interest	-		(77)	
Add (subtract):				
Restructuring and other related charges	53		-	
Acquisition related expenses and adjustments	243		594	
Non-cash stock-based compensation expense	1,214		2,079	
Tax effect of adjustments	(226)		(733)	
Adjusted net income	\$ 18,570	6.5%	\$ 22,862	8.4%
Income from continuing operations	\$ 17,286	6.0%	\$ 20,999	7.7%
Net (income) attributable to non-controlling interest	-		(77)	
Add (subtract):				
Depreciation and amortization	3,359		2,982	
Income tax expense	3,770		6,910	
Interest expense	1,137		253	
EBITDA	\$ 25,552	8.9%	\$ 31,067	11.4%
Add:				
Restructuring and other related charges	53		-	
Acquisition related expenses and adjustments	243		594	
Non-cash stock-based compensation expense	1,214		2,079	
Adjusted EBITDA	\$ 27,062	9.5%	\$ 33,740	12.4%
Diluted net earnings per share	\$ 0.49		\$ 0.58	
Add (subtract):				
Restructuring and other related charges	-		-	
Acquisition related expenses and adjustments	-		0.01	
Non-cash stock-based compensation expense	0.04		0.06	
Loss from liquidation of JV	-		-	
Tax effect of adjustments	-		(0.02)	
Adjusted diluted net earnings per share	\$ 0.53		\$ 0.63	

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	\$ 29,655	\$ 33,614	\$ 37,572
Add:			
Depreciation and amortization	13,500	13,500	13,500
Interest Expense	3,000	3,000	3,000
Taxes	7,883	8,935	9,988
EBITDA	\$ 54,038	\$ 59,049	\$ 64,060
Add:			
Non-cash stock-based compensation and other charges	8,450	8,450	8,450
Adjusted EBITDA	\$ 62,488	\$ 67,499	\$ 72,510
Earnings per share	\$ 0.83	\$ 0.94	\$ 1.05
Add:			
Non-cash stock-based compensation and other charges	0.24	0.24	0.24
Less tax effect of adjustments	(0.05)	(0.05)	(0.05)
Adjusted earnings per share	\$ 1.02	\$ 1.13	\$ 1.24



Thank you.