



First Quarter 2024 Earnings Conference Call

April 25, 2024

SHYFT GROUP



Forward-Looking Statement

This presentation contains information, including our sales and earnings guidance, all other information provided with respect to our outlook for 2024 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, 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, 2023, 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.

1Q 2024 Financial Highlights

\$198M

(19%) decline YoY

Sales

\$6M

3% of Sales

Adjusted EBITDA

\$439M

7% improvement vs Q4'23

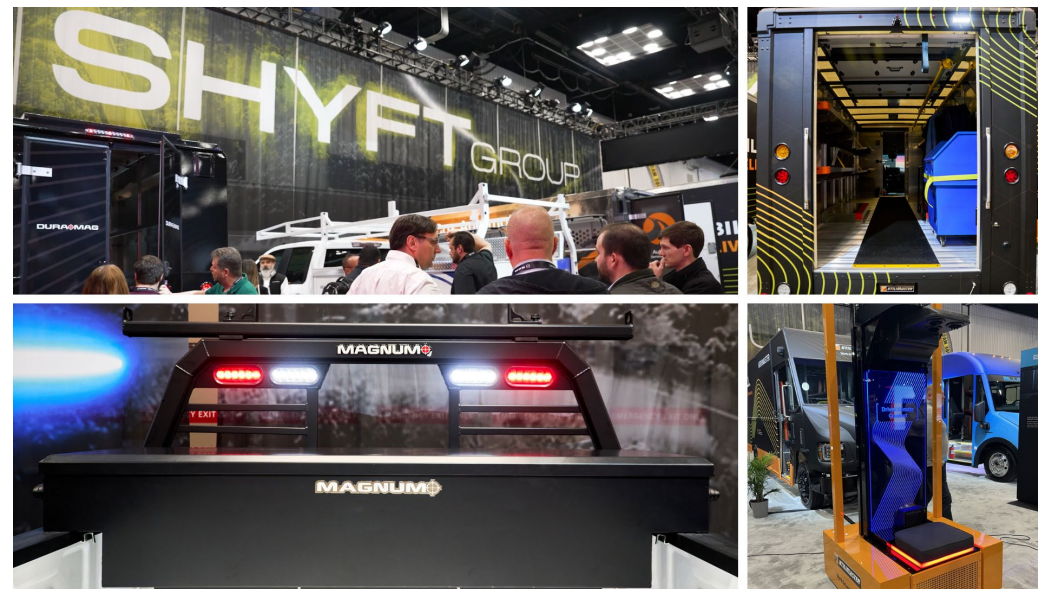
Backlog

(\$10M)

(\$11M) decrease YoY

Free Cash Flow

- ✓ Delivered solid SV adjusted EBITDA margin of 19%
- ✓ Achieved sequential growth in consolidated backlog; first sequential order improvement in 2 years for FVS



The Shyft Group's products on display at NTEA Work Truck Week Show

Improved collaboration by our team members to deliver results

1Q 2024 Operational Highlights

OPERATING FRAMEWORK



Review of production processes during Duramag facility visit

- **Conducted detailed senior management reviews** at key service and truck body facilities
- **Executed first 'One Shyft' procurement initiative** to consolidate suppliers & drive material savings
- **Maintained Blue Arc momentum** with targeted second half production



Utilimaster Walk-in-Van at NTEA Work Truck Week

- **High level of customer engagement at NTEA Work Truck Week** across entire product portfolio
- **Customer focused innovation** – Announced first Driver Cooling aftermarket order for 5k+ trucks
- **Continued to deepen OEM relationships to drive growth** – Achieved Ford Pro Upfitter designation

Driving our operating framework to create long-term shareholder value

Blue Arc EV Program Update

Commercial

- **Progressing commercial discussions** across multiple customers and a range of end-markets
- **Positive customer feedback** from ride and drives held during NTEA Work Truck Week

Product Development

- **Vehicle performing well** with Our Next Energy (ONE) battery; working with multiple battery suppliers to mitigate supply chain risk
- **Vehicle testing nearing completion** with production targeted for late 2024



Blue Arc EV Customer Ride & Drive Event at NTEA Show in Indianapolis

Highly engaged team focused on delivering a world class vehicle



First Quarter 2024 Financial Review and 2024 Outlook



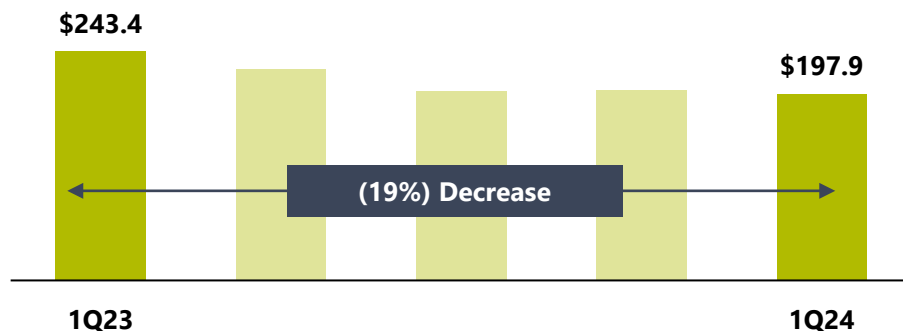


Shyft Financial Summary – 1Q24

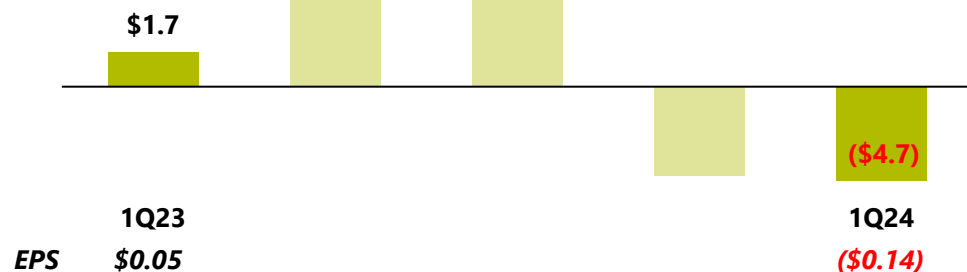
Reported Financials

(\$ million, except EPS)

Sales



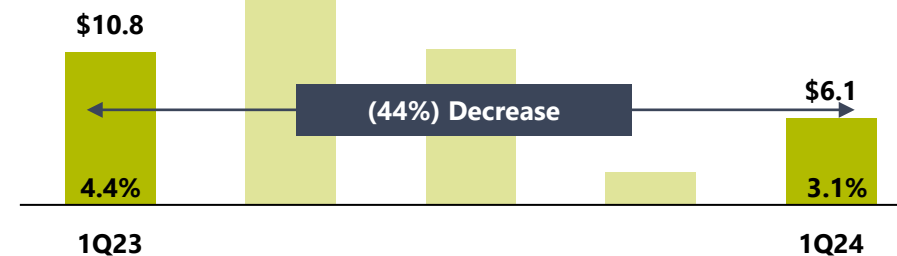
Net Income and EPS



Adjusted Financials

(\$ million, except EPS)

Adjusted EBITDA and % of Sales



Adjusted Net Income and EPS



Focused on delivering improved results in a challenging operating environment



Segment Results Summary – 1Q24

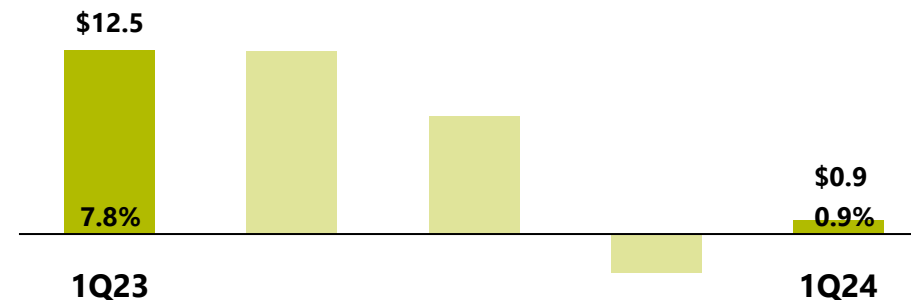
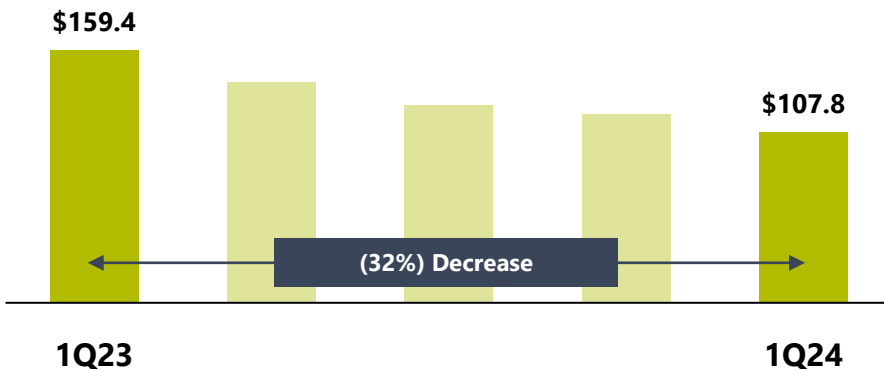
Sales

(in millions)

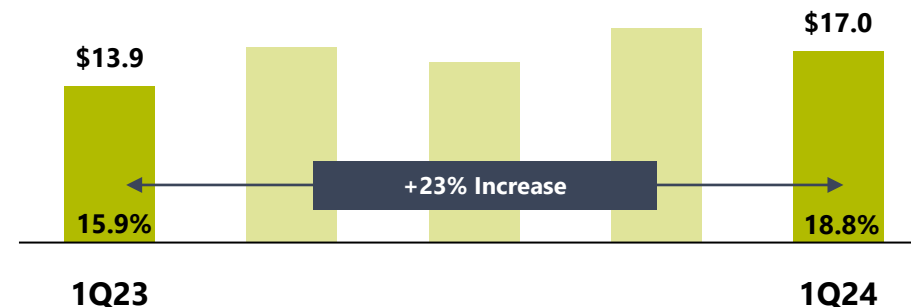
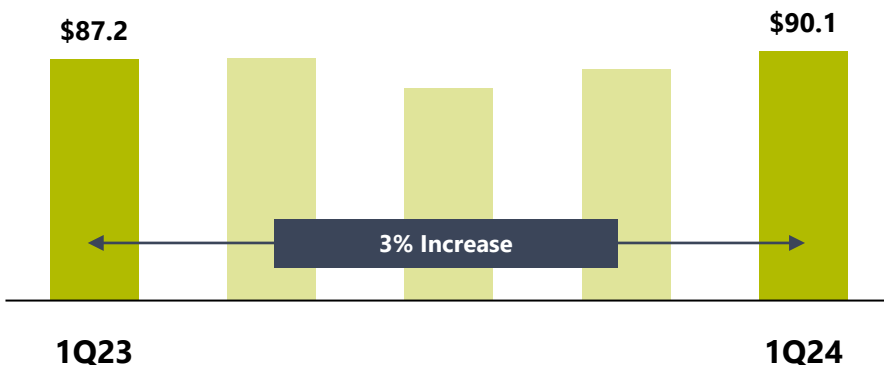
Adjusted EBITDA and % of Sales

(\$ in millions)

FVS



SV



Solid SV performance offset by continued parcel market softness in FVS

2024 Outlook

Revenue

\$850 to \$900M

~Flat YoY at midpoint

- Progress in 1Q, but remain cautious on timing of parcel market recovery
- No revenue from Blue Arc assumed in outlook

Adjusted EBITDA

\$40 to \$50M

+13% YoY at midpoint

- Tightly managing spending
- Blue Arc spending of \$20 to \$25M vs. \$33M in 2023

Adjusted EPS

\$0.28 to \$0.51

(26%) YoY at midpoint

- Assumes share count of ~35M
- Tax headwind driven by prior year tax benefit

Free Cash Flow

\$25 to \$35M

- ~70% EBITDA conversion
- Continued working capital reduction
- Capex of \$20 to \$25M

Driving operational rigor to deliver initial 2024 outlook

Why Invest in the Shyft Group?



Attractive End-Markets

Leading positions in last mile delivery and infrastructure



Customer Focused Innovation

Solutions focused on our customers and their needs



Operational Excellence

Leveraging the power of Shyft to return to historical profitability levels



Financial Strength

Ability to generate cash drives flexibility to invest for future growth and return capital



Attractive long-term value creation opportunity



Q&A Session

Appendix



Reconciliation of Non-GAAP Financial Measures



This presentation presents Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted net income, adjusted earnings per share, and free cash flow, each of which is a non-GAAP financial measure.

We define Adjusted EBITDA as income 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.

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.

We define free cash flow as Net cash provided by (used in) operating activities less purchases of property, plant and equipment and add proceeds from sale of property, plant and equipment. We believe this measure of free cash flow provides management and investors further useful information on cash generation or use in our operations.

We believe that the presentation of these 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.

Reconciliation of Non-GAAP Financial Measures



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

The Shyft Group, Inc.	Three Months Ended March 31,			
	2024	% of	2023	% of
Net income (loss)	\$ (4,669)	(2.4%)	\$ 1,678	0.7%
Net loss attributable to non-controlling interest	-		32	
Add (subtract):				
Restructuring and other related charges	52		62	
Acquisition related expenses and adjustments	-		291	
Non-cash stock-based compensation expense	1,474		1,827	
Legacy legal matters	1,850		956	
CEO transition	110		-	
Tax effect of adjustments	(258)		(585)	
Adjusted net income (loss)	\$ (1,441)	(0.7%)	\$ 4,261	1.8%
Net income (loss)	\$ (4,669)	(2.4%)	\$ 1,678	0.7%
Net loss attributable to non-controlling interest	-		32	
Add (subtract):				
Depreciation and amortization	4,435		3,864	
Income tax expense	783		430	
Interest expense	2,053		1,648	
EBITDA	\$ 2,602	1.3%	\$ 7,652	3.1%
Add:				
Restructuring and other related charges	52		62	
Acquisition related expenses and adjustments	-		291	
Non-cash stock-based compensation expense	1,474		1,827	
Legacy legal matters	1,850		956	
CEO transition	110		-	
Adjusted EBITDA	\$ 6,088	3.1%	\$ 10,788	4.4%
Diluted net earnings (loss) per share	\$ (0.14)		\$ 0.05	
Add (subtract):				
Restructuring and other related charges	-		-	
Acquisition related expenses and adjustments	-		0.01	
Non-cash stock-based compensation expense	0.05		0.05	
Legacy legal matters	0.05		0.03	
CEO transition	-		-	
Tax effect of adjustments	-		(0.02)	
Adjusted diluted net earnings (loss) per share	\$ (0.04)		\$ 0.12	

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

The Shyft Group, Inc.	Three Months Ended March 31,	
	2024	2023
Net cash provided by (used in) operating activities	\$ (3,957)	\$ 5,887
Purchases of property, plant and equipment	(5,719)	(4,469)
Proceeds from sale of property, plant and equipment	75	25
Free cash flow	\$ (9,601)	\$ 1,443

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.	Outlook		
	Year Ended December 31, 2024		
	Low	Mid	High
Net income	\$ 2,479	\$ 6,481	\$ 10,483
Add:			
Depreciation and amortization	20,500	20,500	20,500
Interest expense	7,500	7,500	7,500
Taxes	621	1,619	2,617
EBITDA	\$ 31,100	\$ 36,100	\$ 41,100
Add:			
Non-cash stock-based compensation and other charges	8,900	8,900	8,900
Adjusted EBITDA	\$ 40,000	\$ 45,000	\$ 50,000
Earnings per share	\$ 0.07	\$ 0.19	\$ 0.30
Add:			
Non-cash stock-based compensation and other charges	0.26	0.26	0.26
Less: tax effect of adjustments	(0.05)	(0.05)	(0.05)
Adjusted earnings per share	\$ 0.28	\$ 0.40	\$ 0.51



Thank you.