



Barclays Global Automotive & Mobility Tech Conference Fireside Chat

November 30, 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 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.

Key Messages

- 1 Significant transformation into an industrial growth company since 2015**
- 2 Portfolio aligned to long-term growth trends in last mile parcel delivery and infrastructure**
- 3 Operational footprint and expertise supports future production expansion**
- 4 Significant organic growth opportunity with Blue Arc EV product launch in 2023**
- 5 Strong financial position to support future growth**

Compelling Industrial Growth Story

Delivering shareholder value through innovation and growth

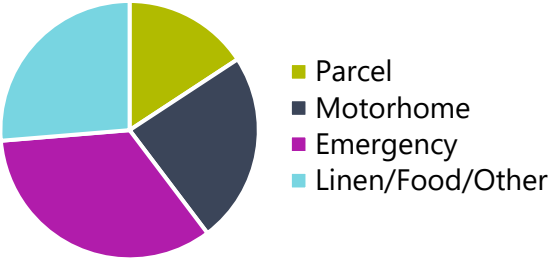
2015*



\$105M Market Cap

\$3.11 Share Price

\$550M Sales



2.0% Adjusted EBITDA

**Includes operations discontinued in 2020*

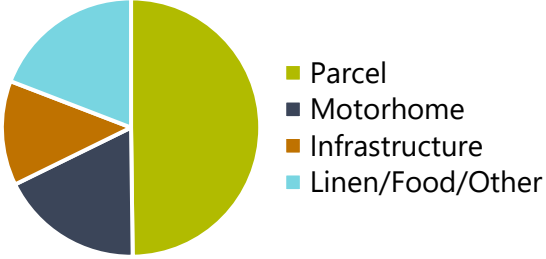
2021



\$827M Market Cap*

\$23.53 Share Price*

\$992M Sales



10.9% Adjusted EBITDA

**As of November 29, 2022
source: FactSet*

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

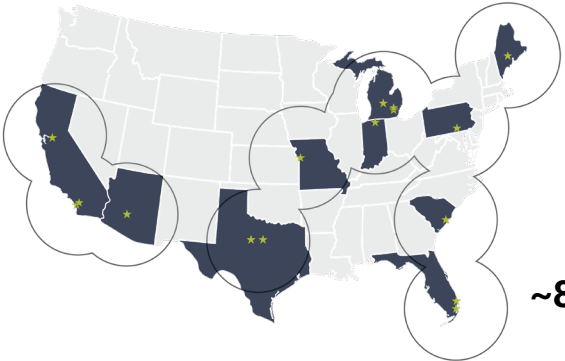
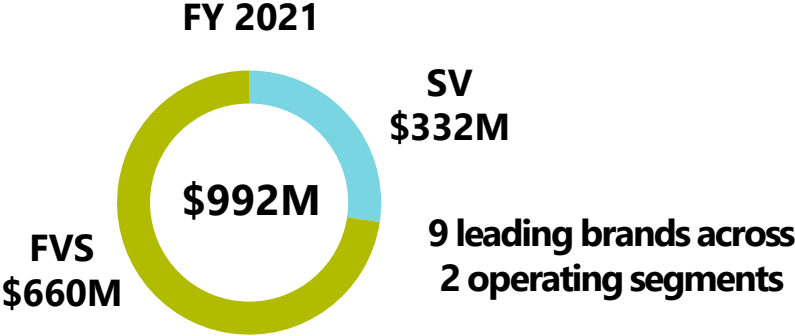
Focused on lean initiatives across factories

Built out footprint Coast-to-coast flexible manufacturing

Strengthened management team to support accelerated growth

The Shyft Group at a Glance

Solid product portfolio aligned to attractive growth markets



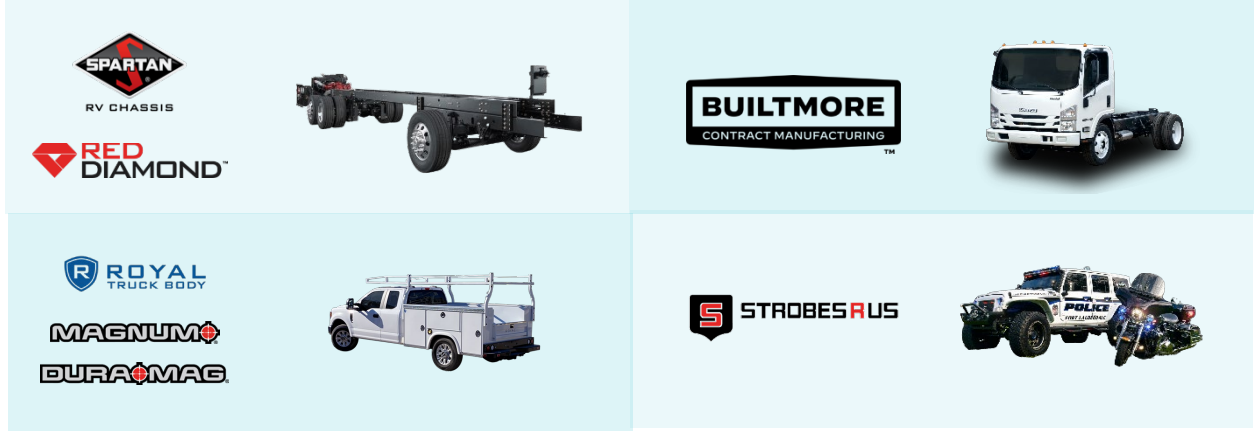
16 manufacturing
locations reaching
~85% of U.S. population

3,800
Employees

Fleet Vehicles & Services



Specialty Vehicles



Corporate R&D*



*Blue Arc EV Solutions future business segmentation TBD

Launched Blue Arc EV Solutions 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 in the EV situation

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

Strong Historical Manufacturing Expertise

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

Nearly 50 years experience as a leader in engineering and manufacturing chassis and body

Partnering with Tier 1 auto suppliers to develop Blue Arc EV delivery van



Chassis

Strong Engineering & Manufacturing Capabilities



Body

Customer Centric Solutions



Blue Arc

Best in Class Vehicle

Incremental Financial Opportunity with Blue Arc EV WIV

Transitioning from body builder to integrated vehicle OEM opens new markets

Shyft Scope

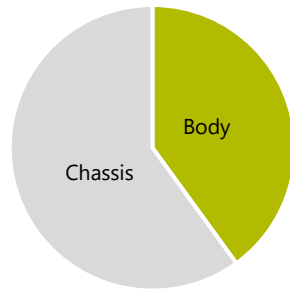
Market Expansion

Revenue Contribution

Market Available to Shyft



Body Builder



~\$5B TAM

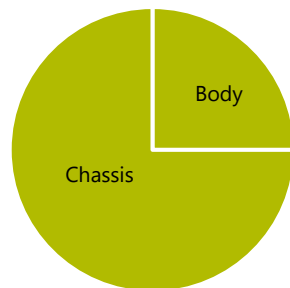
~\$30-40K per Body

Access to Sizeable Chassis Market

Price Opportunity Increases by >4x



Vehicle OEM



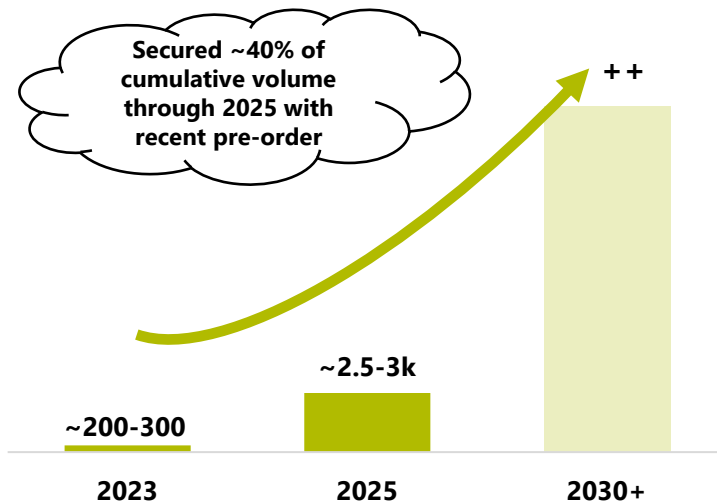
~\$20B+ TAM

>\$150K per Vehicle

Compelling Organic Growth Opportunity with Blue Arc EV WIV

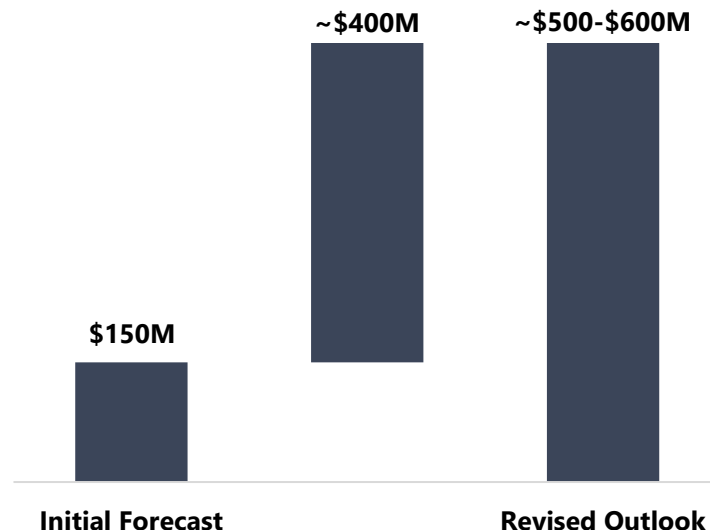
Industry leading EV well-positioned to deliver financially

Blue Arc EV WIV Volume



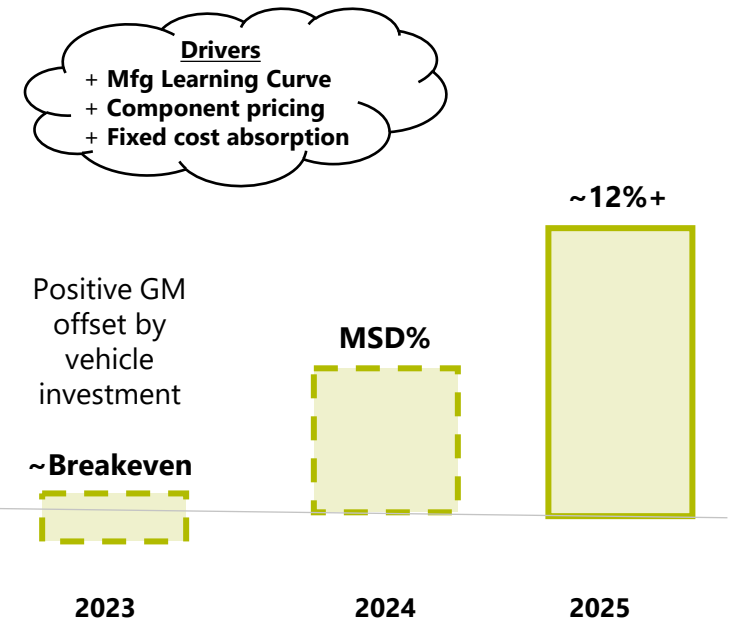
EV adoption not overnight but accelerates after 2025

2025 Blue Arc EV WIV Revenue



Positive market reaction drives enhanced revenue potential

Blue Arc EV WIV EBITDA Margins



Payback by 2025 on initial investment

Disciplined Capital Management

Strong financial position supports organic and inorganic growth

- 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 ~1.4x at the end of Q3 2022
- D** **Flexible Capital Structure** enables future growth opportunities



Thank you.

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 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	<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):				
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	<u>\$ 0.53</u>		<u>\$ 0.63</u>	

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	<u>\$ 62,488</u>	<u>\$ 67,499</u>	<u>\$ 72,510</u>
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	<u>\$ 1.02</u>	<u>\$ 1.13</u>	<u>\$ 1.24</u>