



SHYFT GROUP

November 2020

“For 45 years, the Company has gone to market as Spartan. This new chapter has been well contemplated, it’s aligned with our long-term growth strategy, and it’s one we’re incredibly proud of ... The Shyft Group represents the pivot in market-focus and the corresponding forward momentum we’ve garnered in the work truck, specialty service, and delivery vehicle markets. As our new name signals, The Shyft Group is nimble, aggressive, and here to win.”

Daryl Adams

President and CEO, The Shyft Group

Forward-Looking Statement

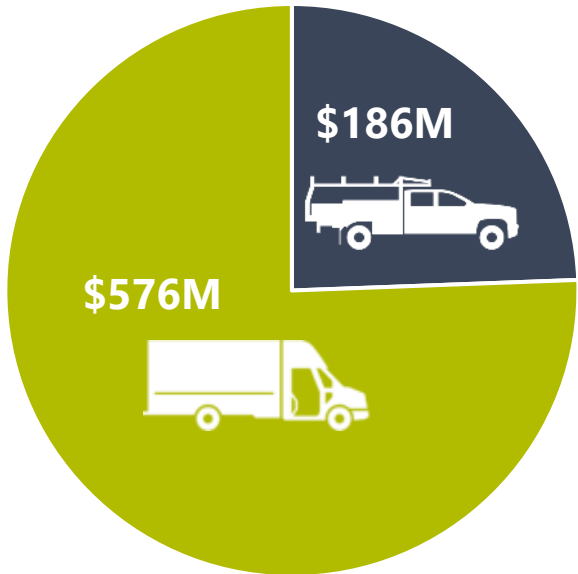
This presentation contains several forward-looking statements that are not historical facts, including our revenue and earnings guidance and other statements concerning our business, strategic position, financial projections, financial strength, future plans, objectives, and the performance of our products and operations. These statements can be identified by words such as "believe," "expect," "intend," "potential," "future," "may," "will," "should," and similar expressions regarding future expectations. Furthermore, statements contained in this document relating to the recent global outbreak of the novel coronavirus disease (COVID-19), 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 and the pace and extent of the economic recovery; 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, including Isuzu; 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 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***

Shyft Group at a Glance

Segment Overview

2019 sales



- Specialty Vehicles (SV)
- Fleet Vehicles & Services (FVS)



\$571M

2018 Sales

\$757M

2019 Sales



\$18M

2018 Income

\$37M

2019 Income

\$35M

2018 Adj. EBITDA

\$64M

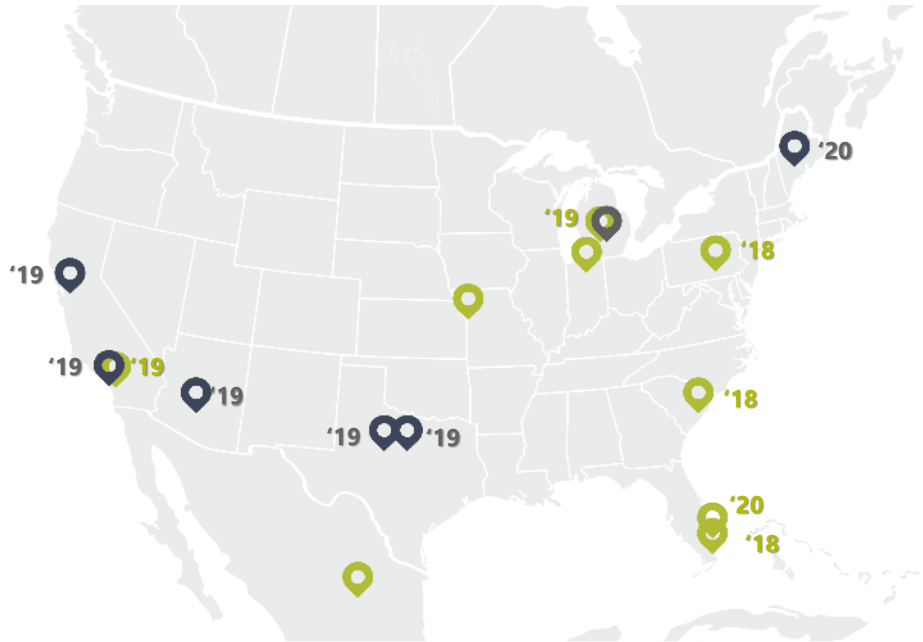
2019 Adj. EBITDA



16 MFG OPERATIONS

in 10 States & 2 Countries

North American leader in specialty vehicle manufacturing and assembly for the commercial vehicle market



Four young engineers joined to form Spartan Motors, Inc. and produced the first custom fire truck cab and chassis in a few short months.



Spartan enters the Class A diesel RV chassis market.

Spartan builds the MRAP and ILAV to support U.S. efforts in the Iraq War.

Spartan builds low cab-forward N-Series assembly and final inspection for Isuzu Work Truck, North America.



Daryl Adams is appointed President & CEO.



Spartan acquires
Smeal Fire Apparatus
and its Ladder Tower
and UST brands.

Spartan acquires General Truck Body, and with it, the company's first West Coast facility.



Spartan Motors
announces business
transformation to
focus on it's Delivery
and Specialty Vehicle
Segments; divests
Emergency Response
business unit.

The Shyft Group acquires DuraMag® work truck bodies and Magnum® headache racks, providing entrance into both the aluminum service body and the light duty truck accessories markets.



1975

1990

2010

2015

2020

Spartan Motors goes public
on NASDAQ under the
symbol **SPAR**.

Spartan Motors, Inc.
acquires Utilimaster, Inc.



Spartan creates the Reach—the next generation commercial walk-in van.



Production begins at the state-of-the-art new facility in Bristol, IN.



Spartan builds Plant 12, a flexible manufacturing facility, to accommodate growing contract manufacturing business with Isuzu.



Spartan acquires
Strobes-R-Us.



Spartan acquires Royal Truck Body, gaining six facilities in three additional sunbelt states, and coast-to-coast manufacturing and distribution capabilities with an expanded presence in the truck body market.



The Company punctuates its transformation by rebranding the corporation and introduces The Shyft Group.



Leadership Operations

QUICK STATS & DRIVERS

- 120 years of combined executive leadership
- “One-team” mentality
- Culture of accountability and ownership
- Mantra of “no surprises”
- Solution and proactive based mindset

SHARED SKILL SETS

- Big-company DNA with growth experience
- Blended automotive and non-automotive experience
- Lean manufacturing expertise
- Successful M&A activity
- Progressive experience



Daryl Adams
President & CEO



Todd Heavin
COO



Jon Douyard
CFO



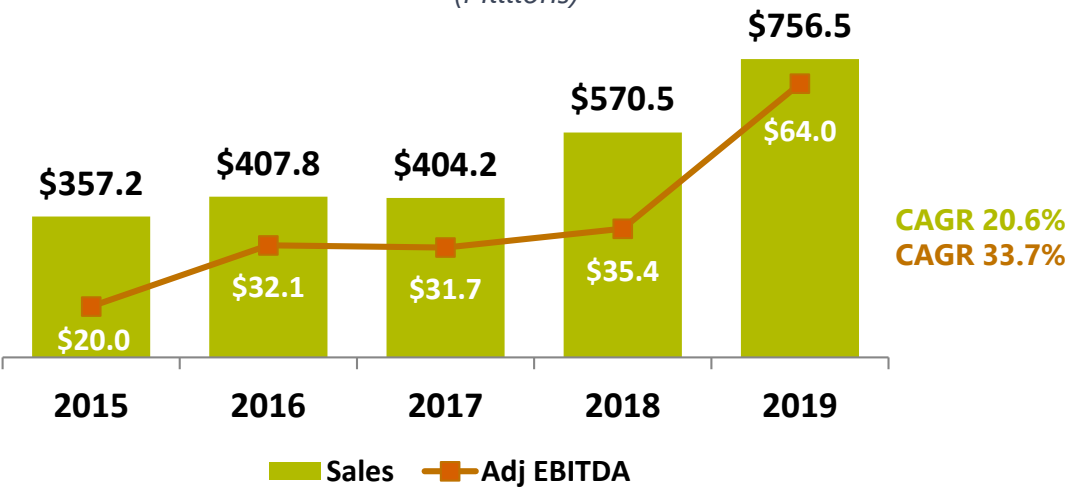
Chad Heminover
President, Fleet
Vehicles & Services



Steve Guillaume
President, Specialty
Vehicles

Shyft Group - Business Snapshot

Sales & Adj. EBITDA
(Millions)



Market Stats (TAM: \$4.6B)



FVS: \$3.0B

eCommerce to grow 9x the rate of other retail sales through 2022

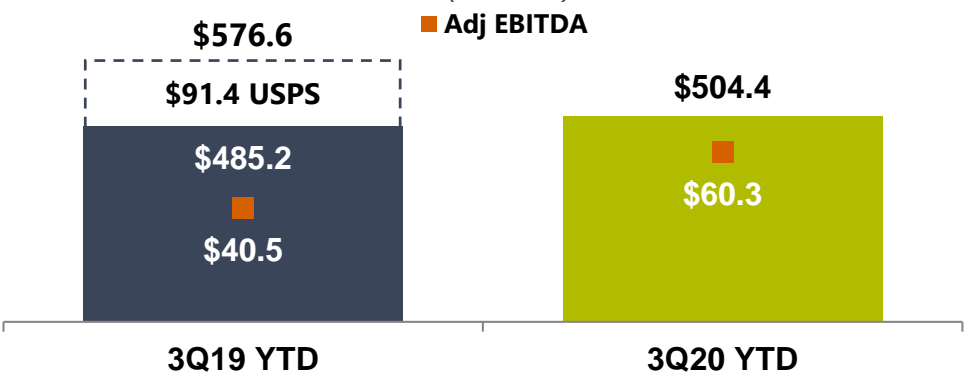


SV: \$1.6B

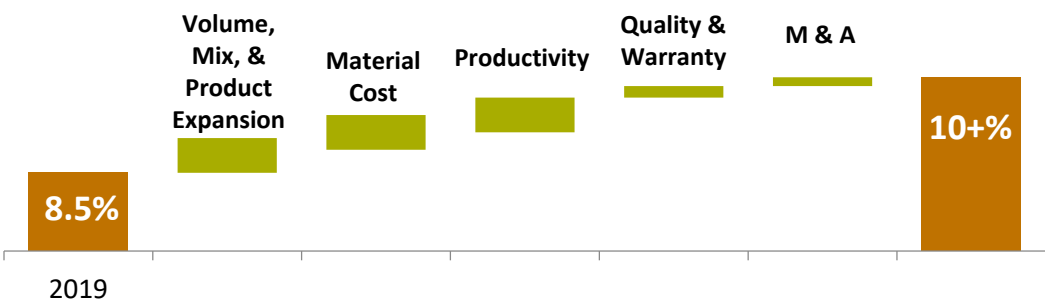
10% CAGR Class A Diesel >400 H.P. shipments ('12-'19)

TAM Source: 2019 SpecialtyTransportation.net Reports

2020 Sales and Adj. EBITDA
(Millions)

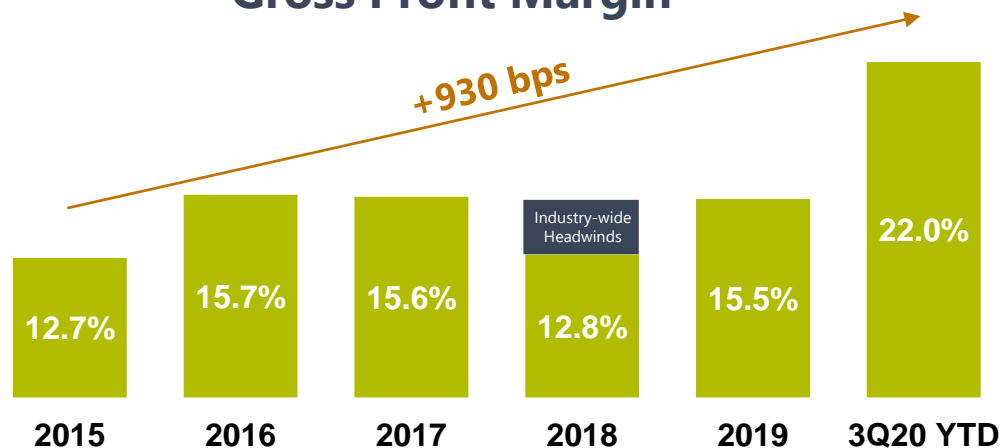


Financial Objective – Adj. EBITDA %

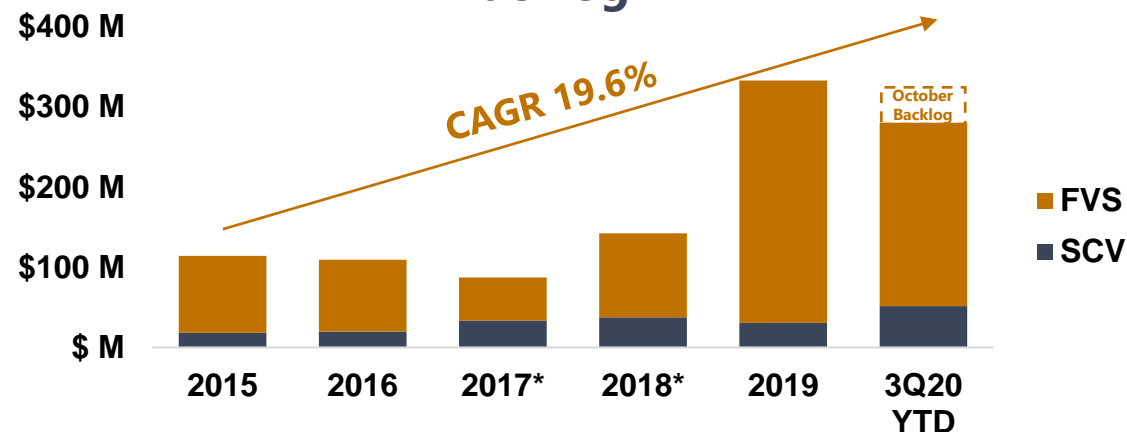


Manufacturing Improvements – Gaining Traction

Gross Profit Margin

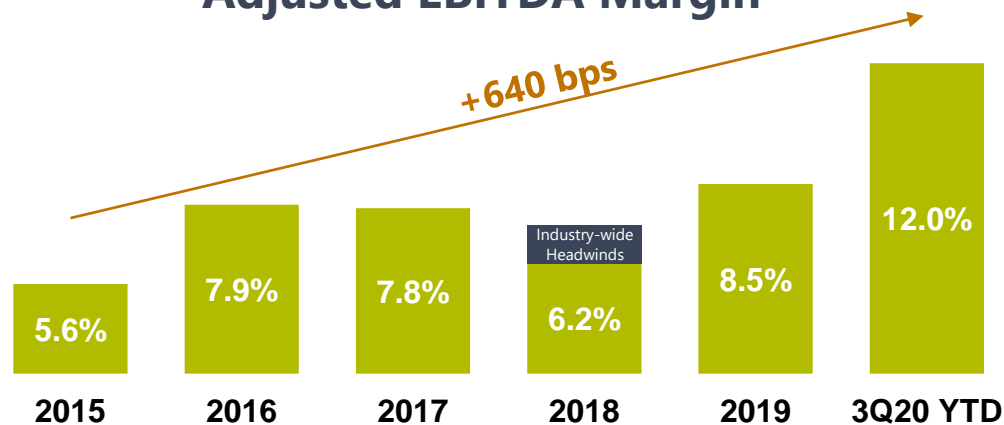


Backlog

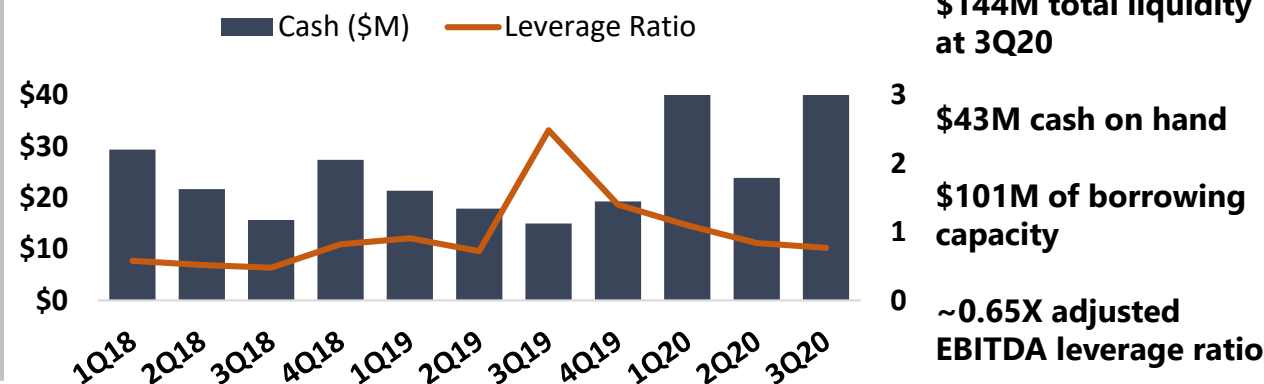


*Excluding USPS Order

Adjusted EBITDA Margin

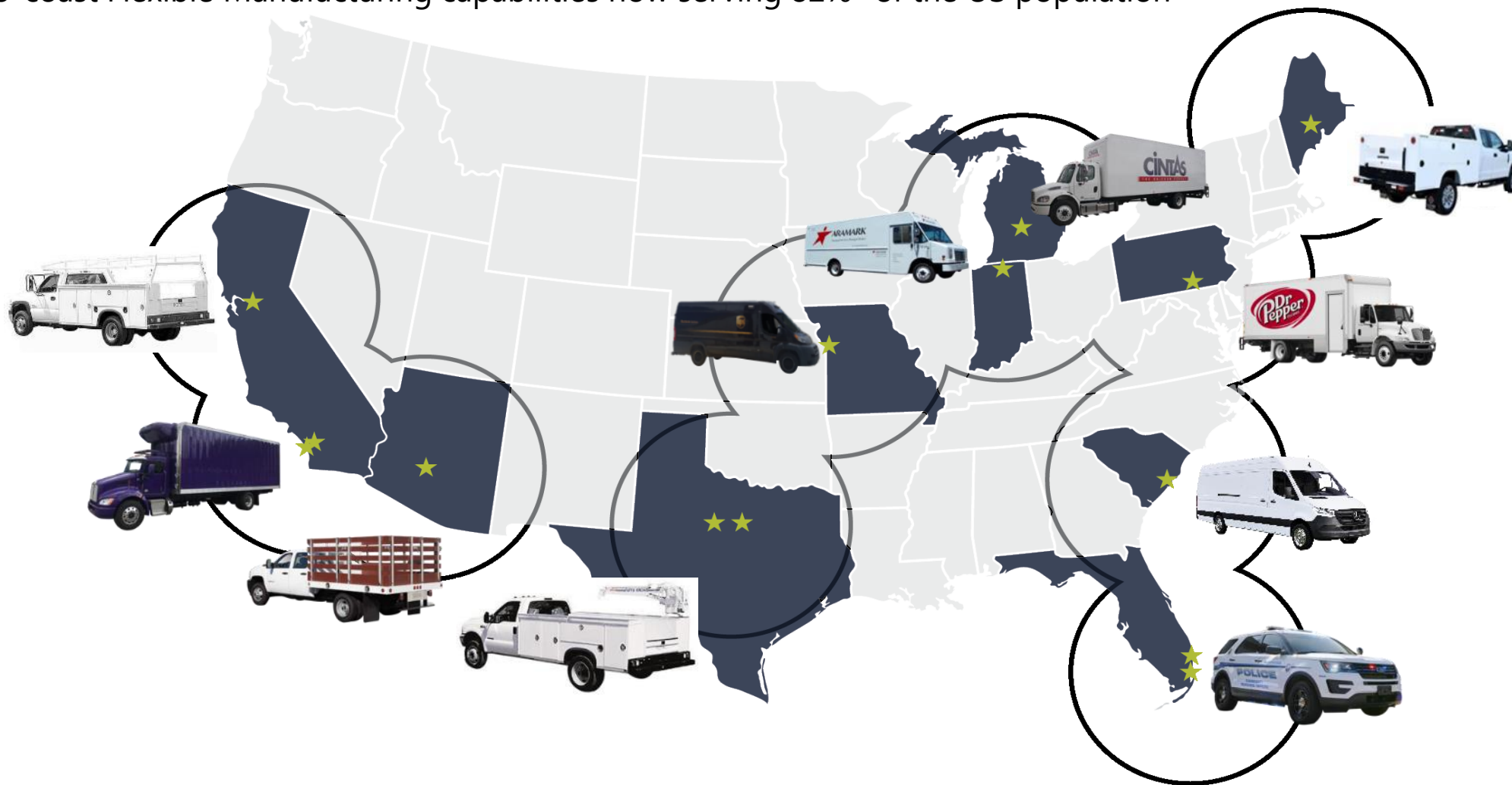


Liquidity



Growth strategy at work

Coast-to-coast Flexible Manufacturing capabilities now serving 82%* of the US population



**Within 300 mile radius of manufacturing locations*

Fleet Vehicle & Services



Fleet Vehicles & Services (FVS)

A leader in the fleet vehicle market, including truck bodies, walk-in vans, highly-customized global fleets, and vocation-specific vehicle upfits



FVS: Go-to-Market Strategy

National Accounts/ Large Business Fleets

Leasing Companies

OEM Dealerships

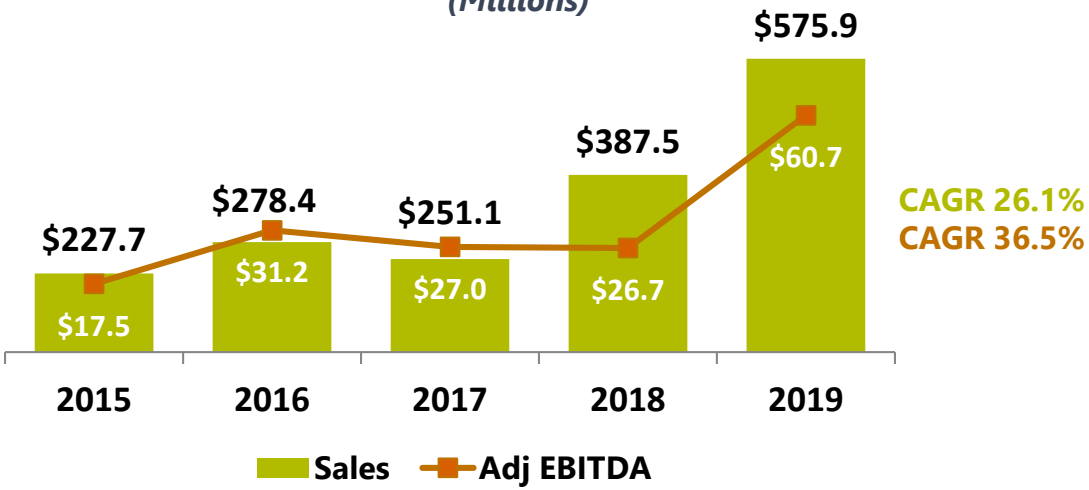


Mercedes-Benz



FVS: Business Snapshot

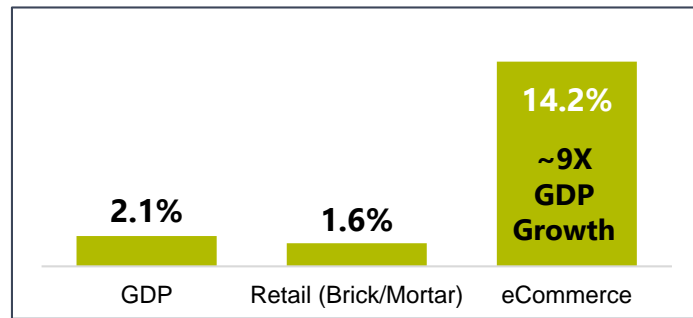
Sales & Adj. EBITDA
(Millions)



Market Stats (TAM \$3.0B)



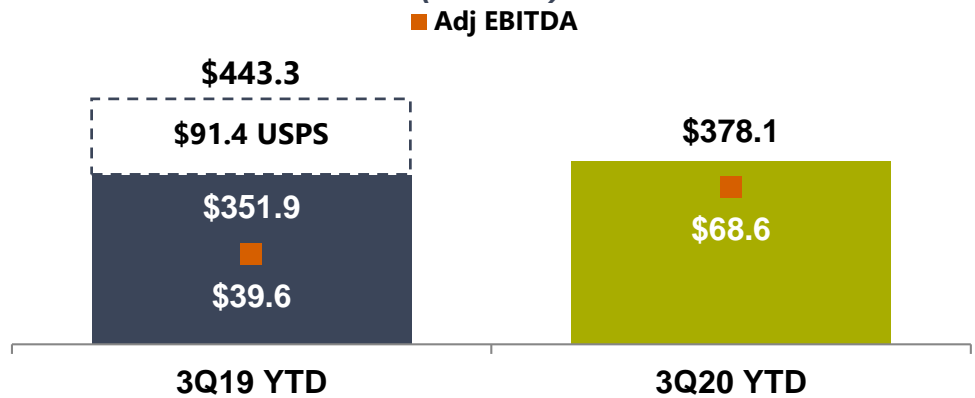
Expected Growth (CAGR) 2018-2022



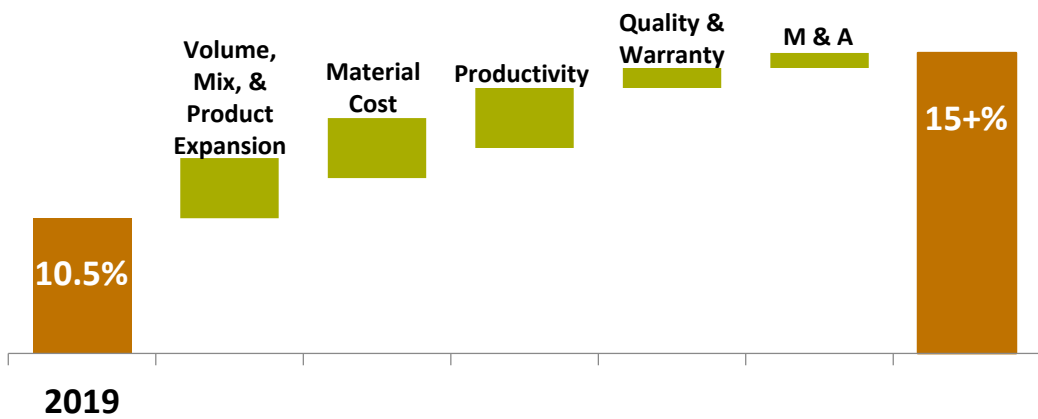
US eCommerce expected to double from \$575B in 2019 to over \$1.2T by 2028

Note: Nominal GDP
Sources: FedEx, UPS Rates & Forecasting, eMarketer, FTI Consulting Report, CBO GDP Report

2020 Sales and Adj. EBITDA
(Millions)



Financial Objective – Adj. EBITDA %

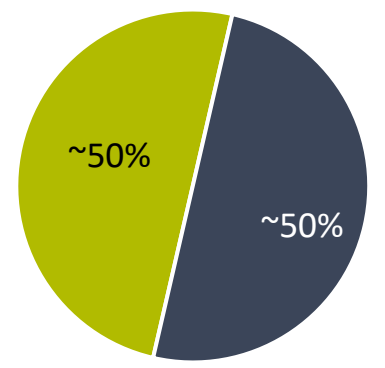


FVS: Market Share



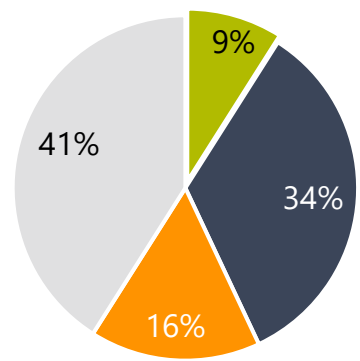
WALK- IN VANS	TRUCK BODIES	CARGO VAN UPFITS
TAM: \$2.0 Billion		TAM: \$1.0 Billion

Walk-in Van Market Share



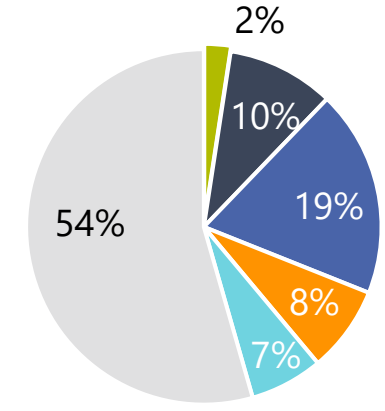
■ Shyft/Utilimaster ■ Morgan Olson

Truck Body Market Share



■ Shyft/Utilimaster ■ Morgan Corp
■ Wabash/Supreme ■ Others

Van Up-fit Market Share



■ Shyft/Utilimaster ■ MasterRack
■ Adrian Steel ■ Ranger Design
■ Weather Guard ■ Regional Upfitters

Shyft's Utilimaster is #3 in the Van/Truck Body Market

FVS Business Update – Velocity Portfolio Expansion

Utilimaster's Velocity line-up boasts:

- 12-16' body options
- 575-785 cu. ft.
- ~5-7-year replacement cycle
- Purpose-built design (vocation and customer-specific option content available)
- EV options available



October 2020 Launch

Velocity F2 (Ford chassis, Class 2)



- 9,950 GVWR
- 3,500 lbs. payload
- Gas engine – 18 MPG

Velocity F3 (Ford chassis, Class 3)



- 10,360 GVWR
- 3,900 lbs. payload
- Gas engine – 18 MPG

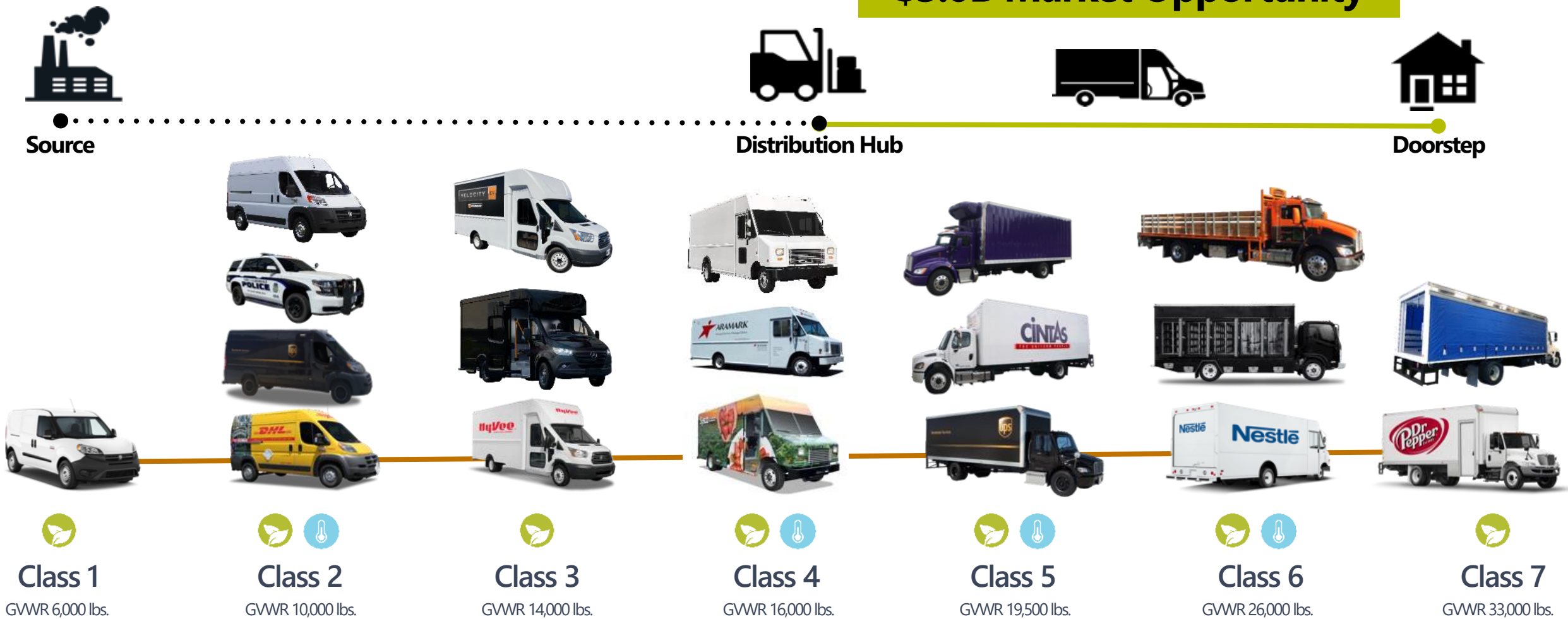
Velocity M3 (Mercedes chassis, Class 3)



- 12,125 GVWR
- 4,500 lbs. payload
- Diesel engine – 16-18 MPG

Fleet Growth Opportunities

\$3.0B Market Opportunity



Commercial EV – The Shyft Strategy

Global commercial EV adoption is approaching rapidly

- By 2030* – 1 in 4 light commercial vehicles (LCV) will be EV
- By 2040* – More than 60% of LCV's will be EV
- Governmental incentives and commercial vehicle OEM's will drive LCV EV adoption

Shyft is proactively addressing customer's "green" mandates

- Shyft is propulsion agnostic – currently available on Class 1-7 – EV, CNG, propane
- Shyft has more than 800 purpose-built alternative fuel vehicles on the road today
- Shyft EV Strategy to fulfill customer's needs currently include:
 1. Converting ICE chassis to EV chassis
 2. EV skateboard – partnering with EV chassis suppliers to manufacture EV vehicles
 3. Builtmore Contract Assembly – contract to assemble EV vehicles



FVS: Competitive Advantage



Utility

WIV | TB

ConEd | SDG&E | LAPW
Consumers Power | COM Ed



Food & Beverage

WIV | TB

Coca-Cola | Frito Lay
Bimbo | Sara Lee



Parcel

WIV | TB | Upfit

UPS | FedEx | USPS |
Purolator Speedy | Canada
Post | Canpar



Linen & Laundry

WIV | TB

Cintas | Aramark
Virginia Linen | Ziker |
CTS



Retail

WIV | TB | Upfit

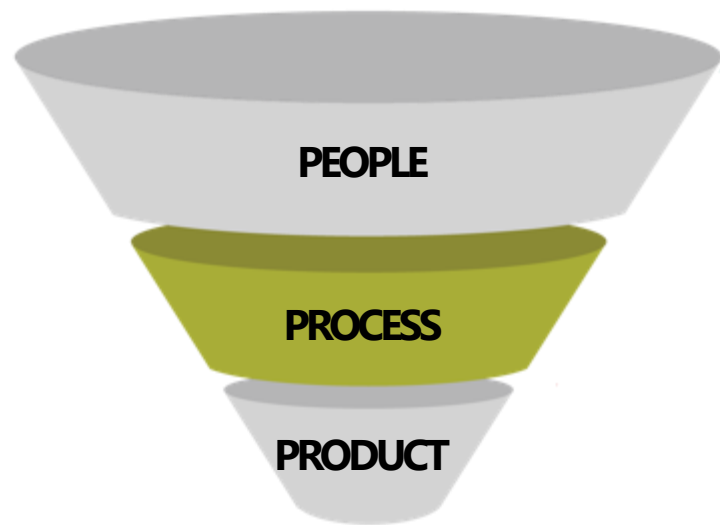
Sysco | Starbucks | Walmart
GFS | Compass



Government

WIV | TB | Upfit

GSA | Military | State
US Customs/Border
Protection



Work-Driven Design® = The Utilimaster Difference



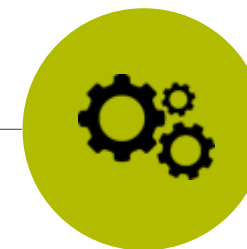
Learn & Listen



Needs
Assessment



Design &
Innovate



Build &
Implement



Optimize

Specialty Vehicles



Specialty Vehicles

The "Premier Foundation" (custom chassis) for the Class A diesel Luxury Motor Coach (LMC) market, with a core competency in custom manufacturing and assembly for the light duty truck, specialty vehicle, and defense markets.

RV Chassis/Customers



Service Bodies



Contract Manufacturing



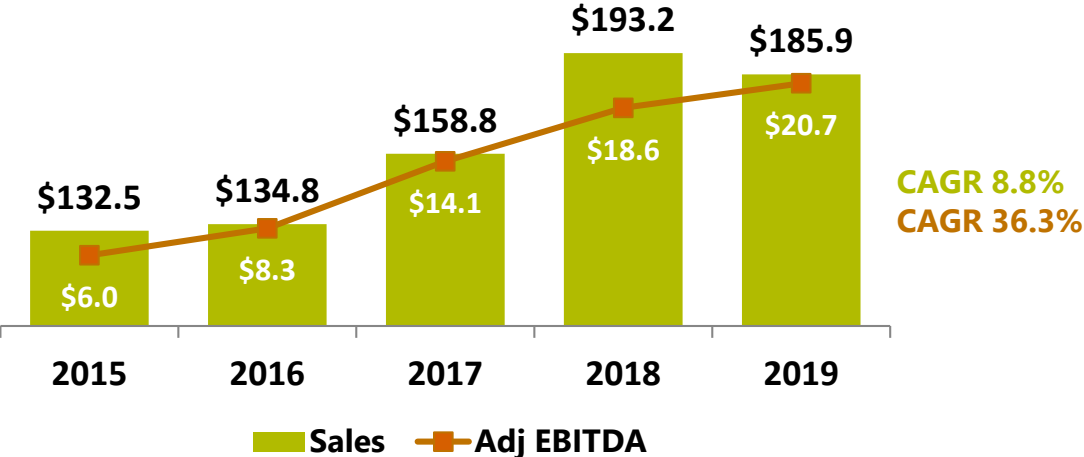
EV/AV





SV: Business Snapshot

Sales & Adj. EBITDA
(Millions)

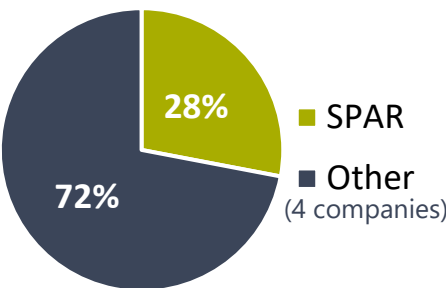


Market Stats (TAM \$1.6B)

LMC: (\$420M > 400HP | \$200M < 400HP)

Service Truck Body: \$960M

Class A Diesel >400hp

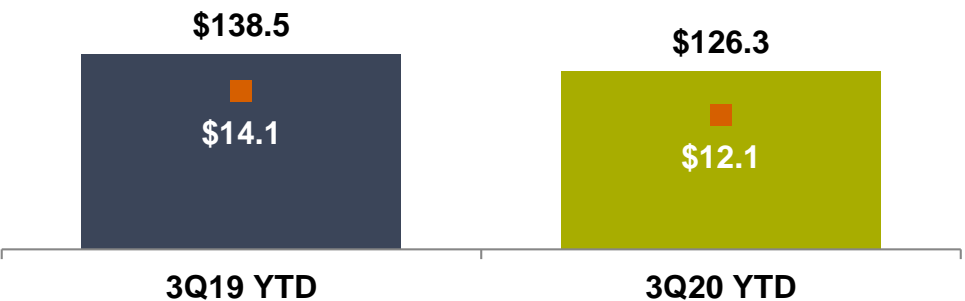


Spartan Chassis LMC market share has seen positive growth of 56% since 2014

Source: Statistical Surveys MarketScope, 1/2008 – 12/2019, U.S. Data and Management's estimates; SpecialityResearch.net 2019 Report

Sales and Adj. EBITDA
(Millions)

Adj. EBITDA



Financial Objective – Adj. EBITDA %



SV Business Update – F3 MFG Acquisition

Leading Aluminum Service Body Manufacturer

- ◆ Designs and produces service bodies, equipment and accessories
- ◆ Two industry recognized brands - DuraMag® & Magnum®
- ◆ Based in Waterville, Maine with a strong US distribution network
- ◆ 2015 – 2019 Sales CAGR 73.8%
- ◆ Generated \$25M of revenues in 2019

Value Creation – Highly Complementary Offerings to Royal Truck Body

- ◆ Expands service body portfolio to include leading Aluminum and Steel brands
 - ◆ Aluminum products - light weight, fuel efficient, better corrosion properties
- ◆ Creates coast-to-coast manufacturing and distribution footprint
- ◆ Brings additional aftermarket business – light truck aluminum accessories

Transaction Terms

- ◆ Financed with available cash
- ◆ Accretive to earnings in 2021
- ◆ Transaction effective October 1, 2020

DURAMAG®



MAGNUM®



SV: Royal Truck Body

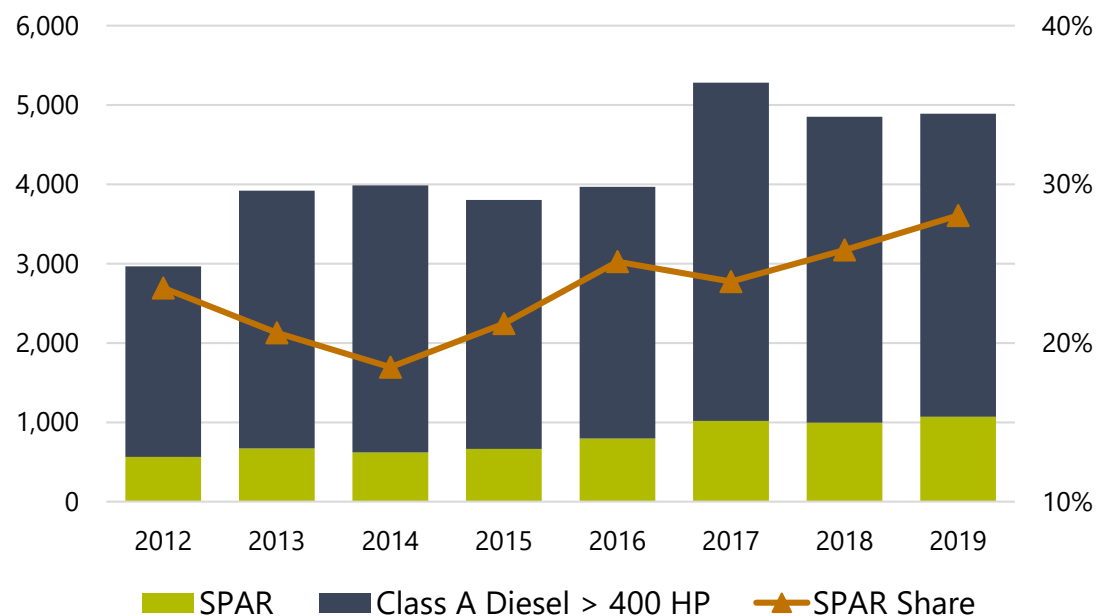


- Purchased Royal Truck Body 3Q19
 - ♦ California based manufacturer of service truck bodies
 - ♦ \$90M in cash, or \$80M net of tax benefits
 - ♦ Full year revenues of approximately \$45M - \$50M
 - ♦ Adjusted EBITDA margins significantly higher than SCV margins
- Provides coast-to-coast geographic coverage
 - ♦ Six facilities located in California, Arizona and Texas
 - ♦ Together with General Truck Body, provides significant West Coast and Southwest truck body operations
 - ♦ Better serve current and prospective customers in the region
 - Expanded manufacturing capabilities
 - Fleet customers
 - New regional customers



RV chassis: Class A Diesel LMC Market Share and Outlook

Spartan Chassis LMC market share has seen positive growth of 56% since 2014



Total Addressable Market

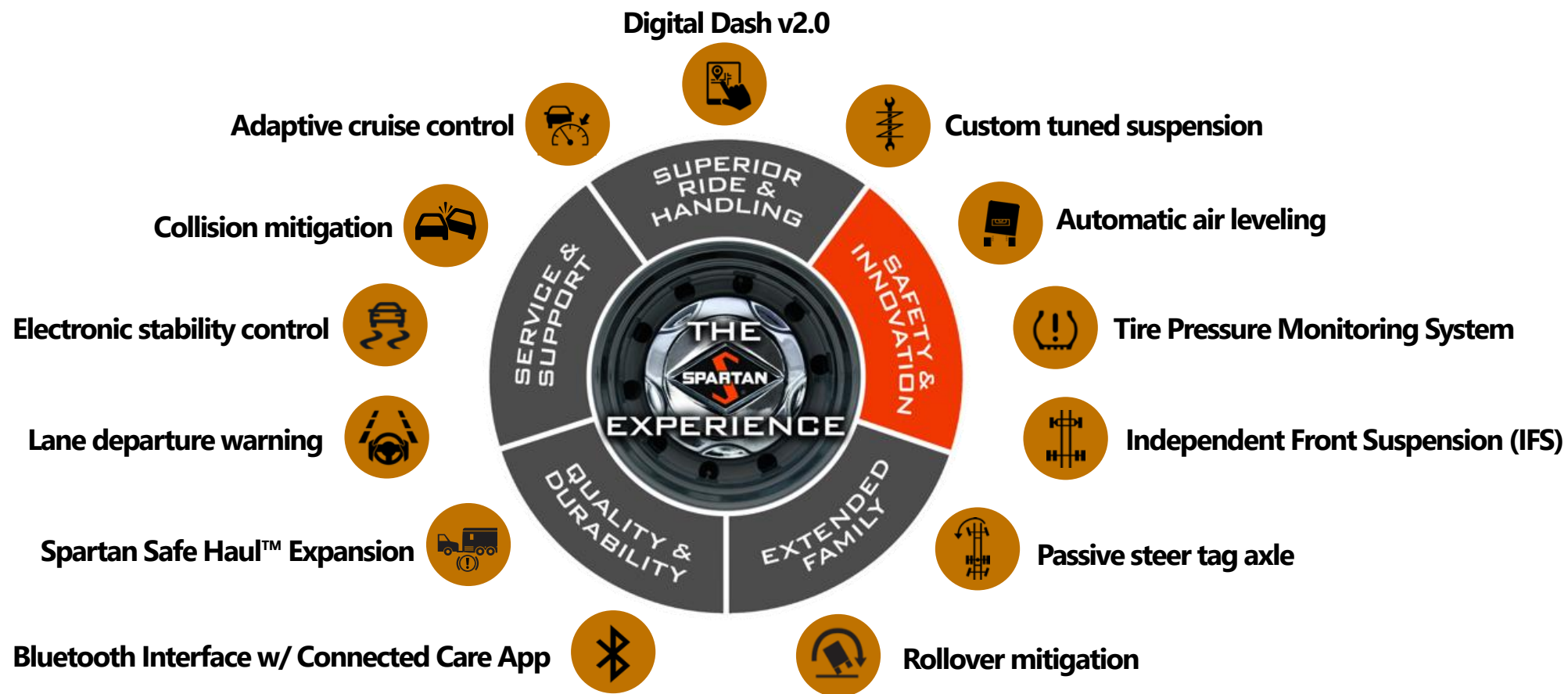
\$620 Million (\$420M > 400HP | \$200M < 400HP)

Shyft makes chassis for Class A Diesel > 400 HP - 28% share

STRATEGY AT WORK – LUXURY MOTOR COACH

- SCV increasing LMC market share with Entegra, Newmar, Foretravel, Jayco and NeXus manufacturers
 - ♦ Up 2% to 28% share in 2019 despite Class A Diesel industry being down 8%
 - ♦ Benefiting from new customer platform introductions that are gaining share
 - ♦ <400HP diesel growing as % of diesel
 - \$200M addressable market
- Industry trends should support continued momentum, including:
 - ♦ Population and demographic trends
 - ♦ "Active/outdoor lifestyle" continues to grow
 - ♦ RV manufacturers are broadening offerings

SV: First-to-Market Innovation



The Path Forward



Our Goal

To become #1 or #2 in each market we serve

Leading purpose-built vehicle manufacturer



Well-positioned

Focused management team
Operational improvements
Improved product portfolio
Customer-centric focus
Financial strength

Strengthen and grow the core business



Financial Objectives

\$1 Billion in Sales
10+% Adj. EBITDA Margins
Improved Cash Flows
Increase ROIC
Enhance shareholder returns

Accelerate the path forward



Shareholder Alignment

Management's long-term goals closely aligned with shareholders

Increase shareholder value

Financial Review 3rd Quarter 2020



Current Environment

Segment (% sales)

Backlog

Q3 Learnings

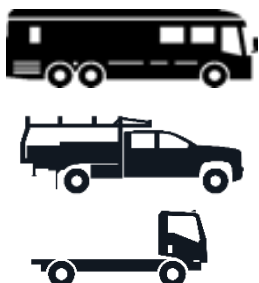
Fleet Vehicle Services (~72%)



\$229M
+2%
Up
\$54M
in Oct

- Demand for parcel delivery vehicles accelerating – orders ramping, including truck body
- Truck body softness continued for most of Q3
- Chassis and component pipeline improved

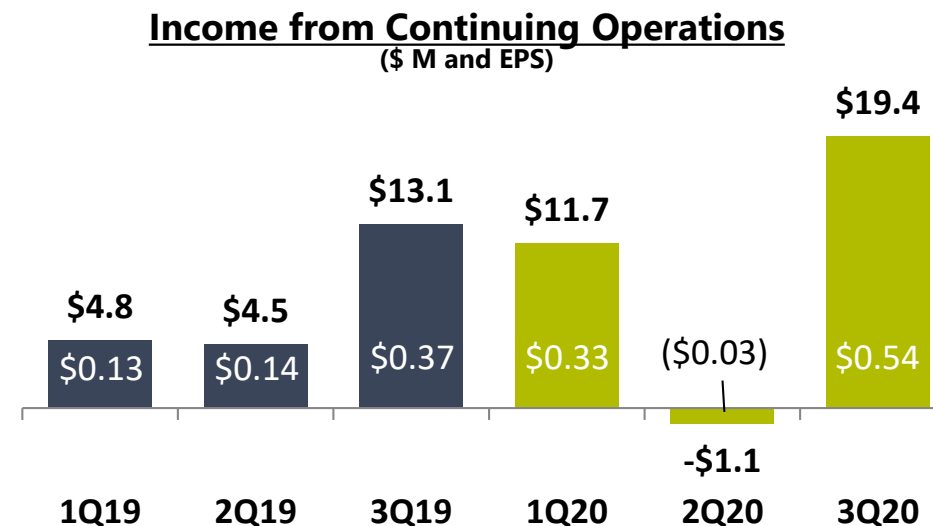
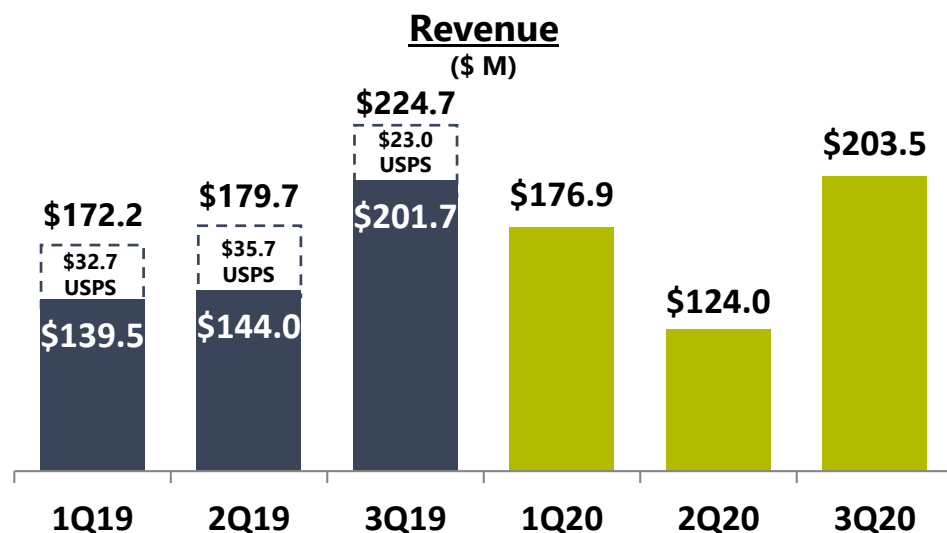
Specialty Vehicles (~28%)



\$52M
+30%

- Motorhome chassis demand continues
- Service Body rebounded from dealer closings – strong September with chassis and component availability improving
- Contract manufacturing ramping up after model year transition, while overseas container port constraints continue to be a challenge

Overview – 3Q20 vs. 3Q19

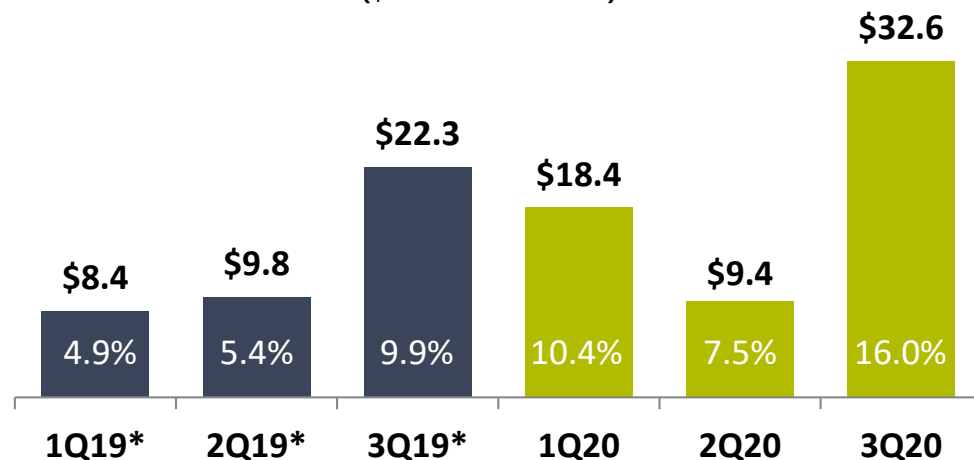


Most profitable quarter in Company's history

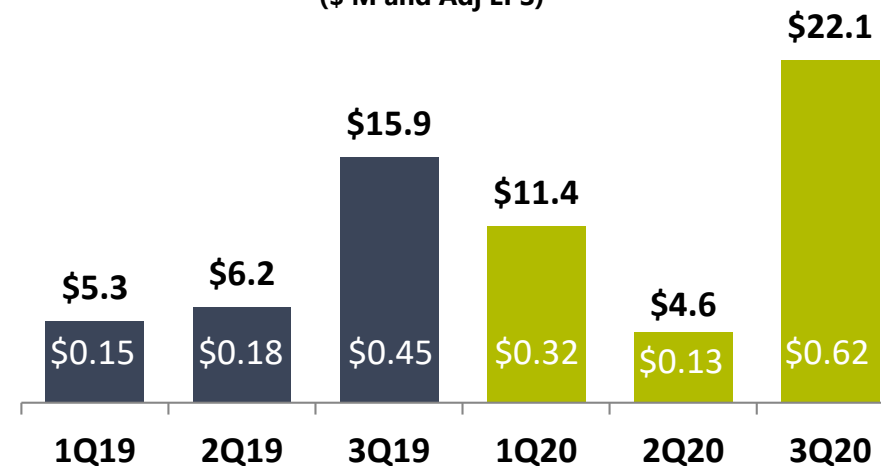
- Revenue of \$203.5M, up 1% (excluding USPS)
 - ♦ FVS down \$11.4M, or 7%
 - ♦ SV up \$13.2M, or 29%
- Gross Profit Margin of 24.9%, up 800 bps
- Income of \$19.4M, up 48%
- EPS of \$0.54, up 46%

Overview – 3Q20 vs. 3Q19

Adjusted EBITDA (\$ M and % of Sales)



Adjusted Net Income (\$ M and Adj EPS)

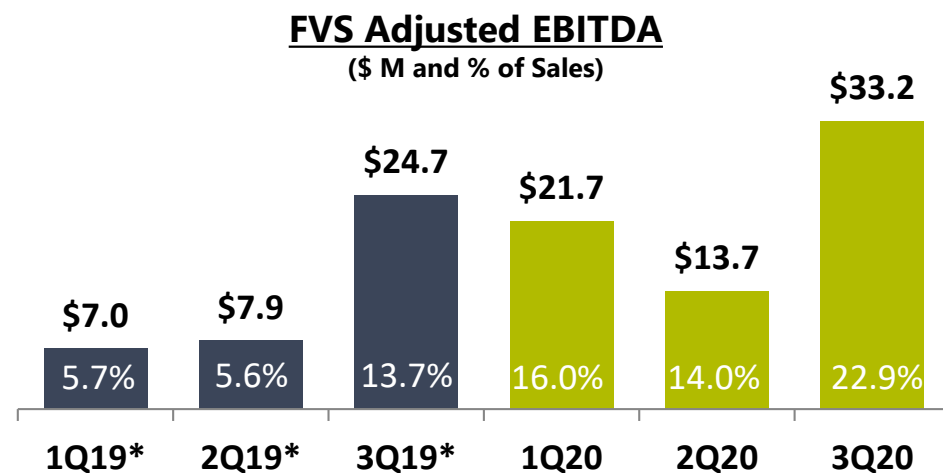
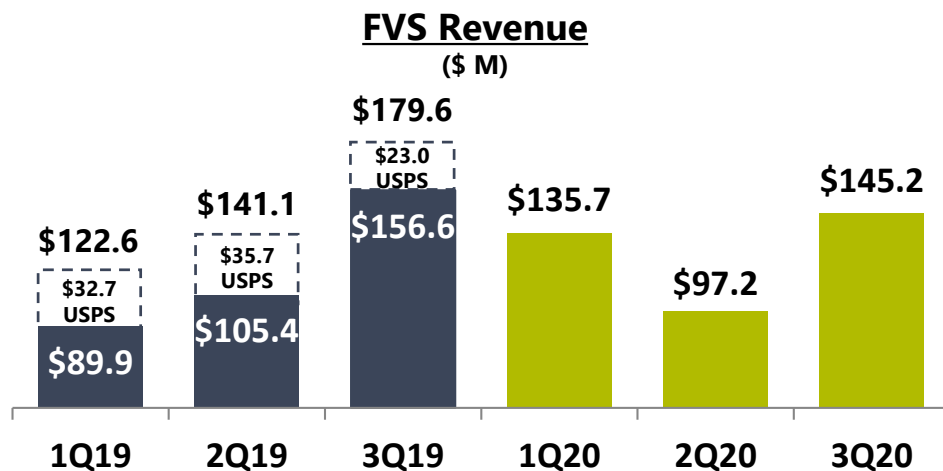


Strong year-over-year margin growth

- Adjusted EBITDA of \$32.6M, up 46%
- Adjusted EBITDA margin of 16%, up 610 bps
- Adjusted net income of \$22.1M, up 40%
- Adjusted EPS of \$0.62, up 38%

**Includes USPS impact of 110, 130 and 110 basis points in 1Q19, 2Q19 and 3Q19, respectively*

Fleet Vehicles & Services – 3Q20



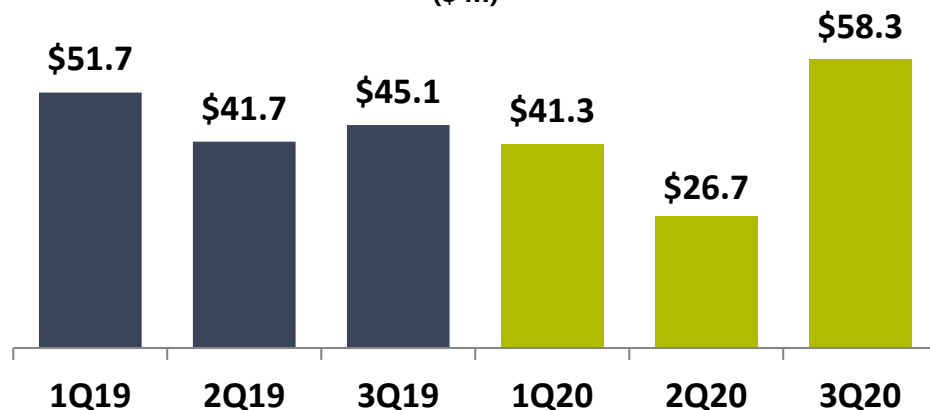
- Revenue of \$145.2M, down 7%
- Adjusted EBITDA of \$33.2M, up 34%
- Adjusted EBITDA margin of 22.9%, up 920 bps
- Backlog totaled \$228.9M, up 2%
 - ♦ Backlog increased to approximately \$282M as of October 31st, 2020

Higher margins driven by WIV and Upfit, partially offset lower TB sales

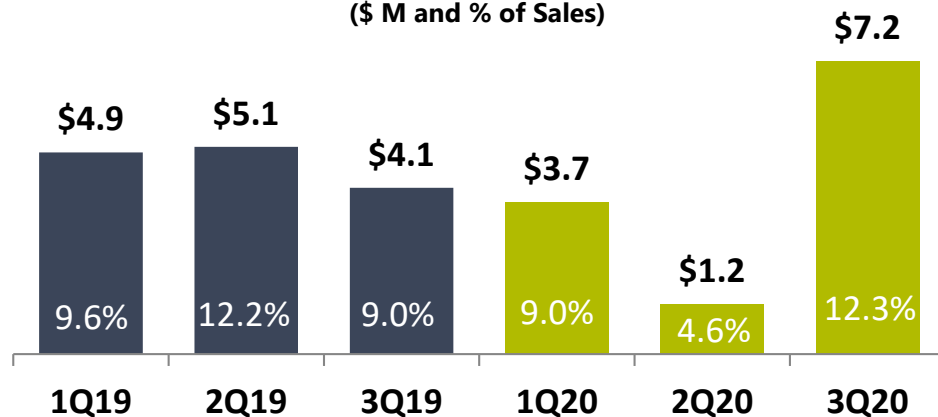
*Includes USPS impact of 210, 190 and 200 basis points in 1Q19, 2Q19 and 3Q19, respectively

Specialty Vehicles – 3Q20

SV Revenue
(\$ M)



SV Adjusted EBITDA
(\$ M and % of Sales)

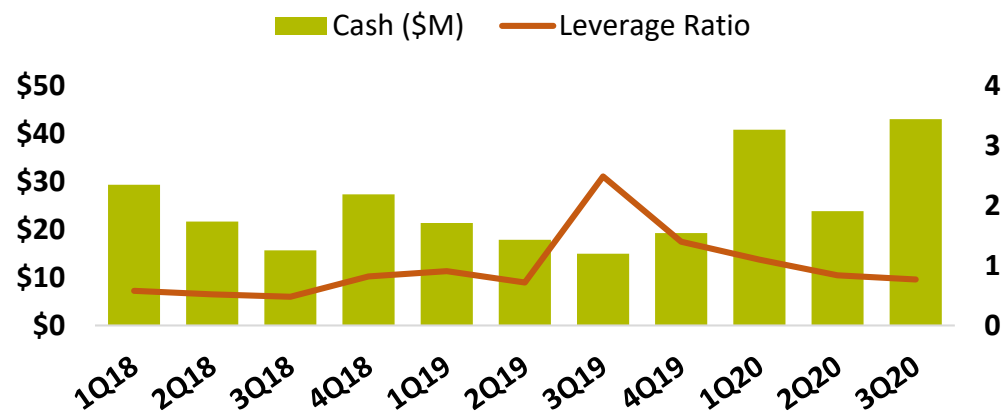


- Revenue of \$58.3M, up 29%
- Adjusted EBITDA of \$7.2M, up 76%
- Adjusted EBITDA margin of 12.3%, up 330 bps
- Backlog totaled \$51.8M, up 30%

Robust luxury motor coach volume and the addition of Royal Truck Body

Liquidity, 2020 Outlook & Guidance

Liquidity



- Generated \$32.4M in cash from operating activities in Q3
- Total liquidity of \$144M
 - ♦ \$43M cash on hand
 - ♦ \$101M of borrowing capacity
 - ♦ Current (Oct 20) leverage ratio at 0.5x adj EBITDA

2020 Outlook

- Strong momentum coming out of Q3
 - ♦ Robust, growing backlog
 - ♦ Improving end markets, driven by parcel delivery
 - ♦ Increased chassis and component visibility

Reinstating FY20 Financial Guidance

- Revenues in the range of \$660M to \$680M
- Adjusted EBITDA in the range of \$73M to \$75M
- Adjusted EPS in the range of \$1.28 to \$1.32



Appendix

Reconciliation of Non-GAAP Financial Measures

This presentation contains adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), which is a non-GAAP financial measure. This non-GAAP measure is calculated by excluding items that we believe to be infrequent or not indicative of our continuing operating performance. 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. Adjusted EBITDA for all prior periods presented have been recast to conform to the current presentation.

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 and long-term incentive compensation for our management team.

Reconciliation of Non-GAAP Financial Measures

Financial Summary
(In thousands, except per share data)
(Unaudited)

Spartan Motors, Inc.	Three Months Ended March 31,			
	2020	% of sales	2019	% of sales
Income from continuing operations	\$ 11,742	6.6%	\$ 4,835	2.8%
Net (income) loss attributable to non-controlling interest	(67)		(140)	
Add (subtract):				
Restructuring and other related charges	992		27	
Acquisition related expenses and adjustments	93		45	
Non-cash stock-based compensation expense	1,991		847	
Favorable tax rate in income taxes receivable	(2,577)		(99)	
Tax effect of adjustments	(748)		(221)	
Adjusted net income	\$ 11,426	6.5%	\$ 5,294	3.1%
Income from continuing operations	\$ 11,742	6.6%	\$ 4,835	2.8%
Net (income) loss attributable to non-controlling interest	(67)		(140)	
Add (subtract):				
Depreciation and amortization	2,517		1,312	
Taxes on income	377		1,076	
Interest expense	731		374	
EBITDA	\$ 15,300	8.6%	\$ 7,457	4.3%
Add (subtract):				
Restructuring and other related charges	992		27	
Acquisition related expenses and adjustments	93		45	
Non-cash stock-based compensation expense	1,991		847	
Adjusted EBITDA	\$ 18,376	10.4%	\$ 8,376	4.9%
Diluted net earnings per share	\$ 0.33		\$ 0.13	
Add (subtract):				
Restructuring and other related charges	0.03		-	
Acquisition related expenses and adjustments	-		-	
Non-cash stock-based compensation expense	0.06		0.02	
Favorable tax rate in income taxes receivable	(0.08)		-	
Tax effect of adjustments	(0.02)		-	
Adjusted diluted net earnings per share	\$ 0.32		\$ 0.15	

Reconciliation of Non-GAAP Financial Measures

Financial Summary
(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,			
	2020	% of sales	2019	% of sales
The Shyft Group, Inc.				
Income (loss) from continuing operations	\$ (1,134)	(0.9%)	\$ 4,544	2.5%
Net (income) loss attributable to non-controlling interest	(70)		215	
Add (subtract):				
Restructuring and other related charges	562		-	
Acquisition related expenses and adjustments	179		420	
Non-cash stock-based compensation expense	2,126		1,450	
Loss from write-off of construction in process	2,430		-	
Accelerated depreciation of property, plant and equipment	2,330		-	
Tax effect of adjustments	(1,849)		(431)	
Adjusted net income	\$ 4,574	3.7%	\$ 6,198	3.4%
Income (loss) from continuing operations	\$ (1,134)	(0.9%)	\$ 4,544	2.5%
Net (income) loss attributable to non-controlling interest	(70)		215	
Add (subtract):				
Depreciation and amortization	5,343		1,280	
Taxes on income	(546)		1,536	
Interest expense	460		313	
EBITDA	\$ 4,053	3.3%	\$ 7,888	4.4%
Add (subtract):				
Restructuring and other related charges	562		-	
Acquisition related expenses and adjustments	179		420	
Non-cash stock-based compensation expense	2,126		1,450	
Loss from write-off of construction in process	2,430		-	
Adjusted EBITDA	\$ 9,350	7.5%	\$ 9,758	5.4%
Diluted net earnings per share	\$ (0.03)		\$ 0.14	
Add (subtract):				
Restructuring and other related charges	0.02		-	
Acquisition related expenses and adjustments	0.01		0.01	
Non-cash stock-based compensation expense	0.06		0.04	
Loss from write-off of construction in process	0.06		-	
Accelerated depreciation of property, plant and equipment	0.06		-	
Tax effect of adjustments	(0.05)		(0.01)	
Adjusted diluted net earnings per share	\$ 0.13		\$ 0.18	

Reconciliation of Non-GAAP Financial Measures

Financial Summary
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,			
	2020	% of sales	2019	% of sales
The Shyft Group, Inc.				
Income from continuing operations	\$ 19,375	9.5%	\$ 13,126	5.8%
Net (income) attributable to non-controlling interest	(41)		(61)	
Add (subtract):				
Restructuring and other related charges	303		243	
Acquisition related expenses and adjustments	650		1,522	
Non-cash stock-based compensation expense	2,064		1,581	
Accelerated depreciation of property, plant and equipment	365		-	
Deferred tax assets valuation allowance	275		201	
Tax effect of adjustments	(842)		(752)	
Adjusted net income	<u>\$ 22,149</u>	<u>10.9%</u>	<u>\$ 15,860</u>	<u>7.1%</u>
Income from continuing operations	\$ 19,375	9.5%	\$ 13,126	5.8%
Net (income) loss attributable to non-controlling interest	(41)		(61)	
Add (subtract):				
Depreciation and amortization	2,978		1,453	
Taxes on income	7,253		4,317	
Interest expense	11		144	
EBITDA	<u>\$ 29,576</u>	<u>14.5%</u>	<u>\$ 18,979</u>	<u>8.4%</u>
Add (subtract):				
Restructuring and other related charges	303		243	
Acquisition related expenses and adjustments	650		1,522	
Non-cash stock-based compensation expense	2,064		1,581	
Adjusted EBITDA	<u>\$ 32,593</u>	<u>16.0%</u>	<u>\$ 22,325</u>	<u>9.9%</u>
Diluted net earnings per share	\$ 0.54		\$ 0.37	
Add (subtract):				
Restructuring and other related charges	0.01		0.01	
Acquisition related expenses and adjustments	0.02		0.05	
Non-cash stock-based compensation expense	0.05		0.04	
Accelerated depreciation of property, plant and equipment	0.01		-	
Deferred tax asset valuation allowance	0.01		-	
Tax effect of adjustments	(0.02)		(0.02)	
Adjusted diluted net earnings per share	<u>\$ 0.62</u>		<u>\$ 0.45</u>	

Reconciliation of Non-GAAP Financial Measures

Financial Summary (Non-GAAP)

Consolidated

(In thousands, except per share data)

(Unaudited)

The Shyft Group, Inc.	Forecast		
	Twelve Months Ended December 31, 2020		
	Low	Mid	High
Income from continuing operations	\$ 35,490	\$ 36,204	\$ 36,917
Add:			
Depreciation and amortization	13,828	13,828	13,828
Interest expense	1,434	1,434	1,434
Taxes	9,350	9,636	9,923
EBITDA	\$ 60,102	\$ 61,102	\$ 62,102
Add (subtract):			
Non-cash stock-based compensation and other charges	12,898	12,898	12,898
Adjusted EBITDA	<u>\$ 73,000</u>	<u>\$ 74,000</u>	<u>\$ 75,000</u>
Earnings per share	\$ 0.99	\$ 1.01	\$ 1.03
Add:			
Non-cash stock-based compensation and other charges	0.36	0.36	0.36
Less tax effect of adjustments	(0.07)	(0.07)	(0.07)
Adjusted earnings per share	<u>\$ 1.28</u>	<u>\$ 1.30</u>	<u>\$ 1.32</u>

Reconciliation of Non-GAAP Financial Measures

Financial Summary (Non-GAAP)

Continuing Operations

(In thousands, except per share data)

(Unaudited)

(\$000)	Twelve Months Ended December 31,				
	2019	2018	2017	2016	2015
Spartan Motors, Inc.					
Net income attributable to Spartan Motors, Inc.	36,790	18,116	17,472	16,309	(218)
Net (income) loss attributable to non-controlling interest	(140)	-	-	-	-
Add (subtract):					
Restructuring charges	316	662	798	-	-
Asset impairments	-	-	-	-	-
Acquisition related expenses	3,531	1,952	588	14	-
Executive compensation plan	5,281	4,027	3,536	1,536	1,198
Purchase accounting impact-inventory	-	-	-	-	-
Purchase accounting impact-net working capital	-	-	-	-	-
Deferred tax asset adjustment	135	(313)	(4,226)	(2,932)	9,379
Tax effect of adjustments	(2,056)	(1,433)	(1,713)	(550)	(447)
Adjusted net income attributable to Spartan Motors, Inc.	<u>43,857</u>	<u>23,011</u>	<u>16,455</u>	<u>14,377</u>	<u>9,912</u>
Net income attributable to Spartan Motors, Inc.	36,790	18,116	17,472	16,309	(218)
Net (income) loss attributable to non-controlling interest	(140)	-	-	-	-
Add (subtract):					
Depreciation and amortization	6,073	6,214	6,032	5,215	4,959
Taxes on income	10,355	3,334	2,382	8,616	13,733
Interest expense	<u>1,839</u>	<u>1,080</u>	<u>864</u>	<u>410</u>	<u>365</u>
EBITDA	54,917	28,744	26,750	30,550	18,839
Add (subtract):					
Restructuring charges	316	662	798	-	-
Asset impairments	-	-	-	-	-
Acquisition related expenses	3,531	1,952	588	14	-
Executive compensation plan	5,281	4,027	3,536	1,536	1,198
Purchase accounting impact-inventory	-	-	-	-	-
Purchase accounting impact-net working capital	-	-	-	-	-
Adjusted EBITDA	<u>64,045</u>	<u>35,385</u>	<u>31,672</u>	<u>32,100</u>	<u>20,037</u>
Diluted net earnings per share	1.03	0.52	0.50	0.47	(0.01)
Add (subtract):					
Restructuring charges	(0.00)	0.02	0.02	-	-
Asset impairments	-	-	-	-	-
Acquisition related expenses	0.11	0.06	0.02	0.00	-
Executive compensation plan	0.15	0.11	0.10	0.04	0.04
Purchase accounting impact-inventory	-	-	-	-	-
Purchase accounting impact-net working capital	-	-	-	-	-
Deferred tax asset adjustment	0.00	(0.01)	(0.12)	(0.09)	0.28
Tax effect of adjustments	<u>(0.05)</u>	<u>(0.04)</u>	<u>(0.05)</u>	<u>(0.02)</u>	<u>(0.01)</u>
Adjusted diluted net earnings per share	<u>1.24</u>	<u>0.66</u>	<u>0.47</u>	<u>0.42</u>	<u>0.29</u>



Thank you.

- Consumers spent \$602B online in 2019
 - Up 31% from \$461B in 2017
 - \$1.2 Trillion by 2028
 - E-commerce captured 16% of all retail sales in 2019
 - E-com expected to grow 22% thru 2022
 - Customers are moving towards smaller class vehicles
 - Global parcel delivery volume growing at a CAGR of 19%
 - More than doubled in last 4 years, up 104%

