



Delivering. The Road Ahead.

June 8, 2021



Video



Juris Pagrabs

Group Treasurer / Head of IR

Forward-Looking Statement

This presentation contains several forward-looking statements that are not historical facts, including our revenue and earnings guidance, all other information provided with respect to our outlook for 2021 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 are not historical facts. 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 presentation relating to the COVID-19 pandemic, 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 including weaknesses resulting from the COVID-19 pandemic; 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; 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 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 financial results included within this presentation are from continuing operations unless otherwise noted.



Agenda

10:00 AM	Welcome and Introductions
10:05 AM	Delivering on our Growth Strategy Daryl Adams
10:15 AM	Fleet Vehicles & Services Business Review Chad Heminover
10:30 AM	Specialty Vehicles Business Review Steve Guillaume
10:45 AM	BREAK
11:00 AM	Shyft Innovation Group Daryl Adams
11:10 AM	Financial Review Jon Douyard
11:25 AM	The Road Ahead Daryl Adams
11:30 AM	Q&A - Panel
12:00 PM	Closing



Daryl Adams
President and CEO



Chad Heminover
President
Fleet Vehicles & Services

SHARED EXPERIENCE
Blended Auto & non-auto
Big company DNA
Lean manufacturing
Successful M&A
Progressive experience



Steve Guillaume
President
Specialty Vehicles



Jon Douyard
Chief Financial Officer



Daryl M. Adams

President and Chief Executive Officer

Delivering. The Road Ahead.

The Path Forward

- Strategic growth plan
- Transformed portfolio
- Rebranded to The Shyft Group

Enhanced Corporate Culture

- Customer-driven, purpose-built innovation
- Operational excellence
- Movement towards sustainability and stewardship

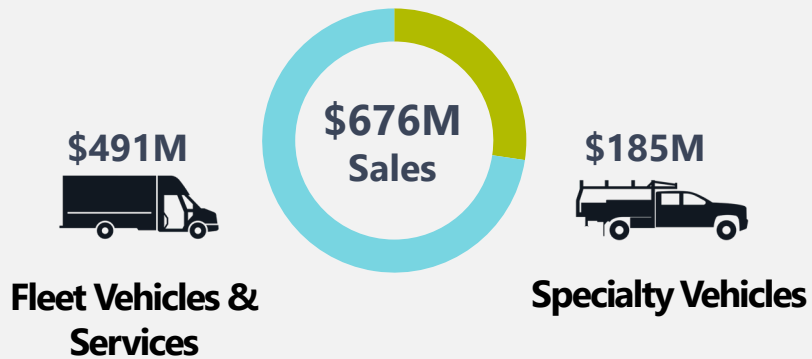
Driving Strong Results

- Consistent double-digit revenue and profitability growth
- Top quartile TSR

The Shyft Growth Strategy

16 MFG Operations

in 10 States & 2 Countries



Industry Leading Brands



2018

East coast expansion

2019

West & Southwest expansion

2020

Expanded product portfolio

2021

Launched Velocity vehicle

North American Leader

in specialty vehicle manufacturing and assembly for the commercial vehicle market



Transformation of the Portfolio

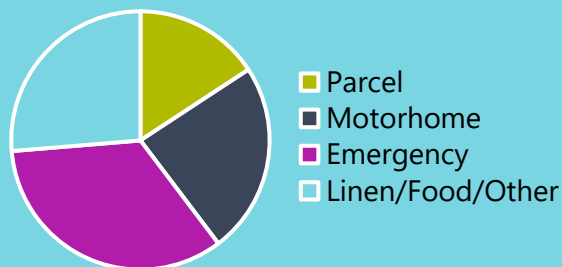
2015*



\$105M Market Cap

\$3.11 Share Price

\$550M Sales



2.0% Adj. EBITDA

**Includes operations discontinued in 2020*

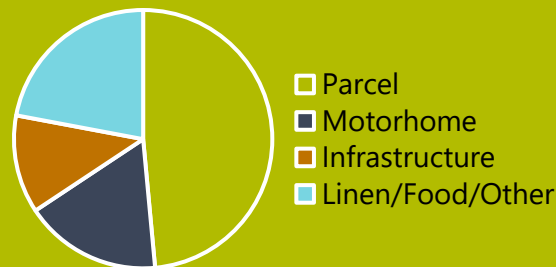
2021



\$1.4B Market Cap

*\$39.52 Share Price**

\$875M Sales**



11.4% Adj. EBITDA**

**As of 6.1.21*

***Based on Midpoint Forecast*

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

Deployed over \$100M toward M&A
on 4 strategic transactions

Focused on lean initiatives across factories

Built out footprint –
current facilities within
85% of the population

**Strengthened
management team**
to support
accelerated growth

5X TSR

vs. peers
since 2015

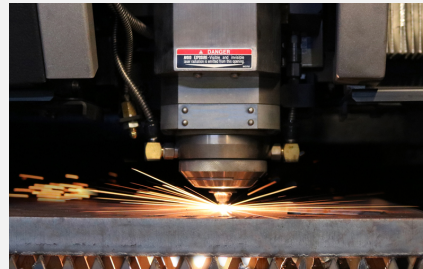
Four Strategic Objectives to Drive Shareholder Value

Customer focused innovation to drive growth



Organic Growth

- Product innovation
- Geographic expansion



Operational Excellence

- Lean initiatives
- Automation



Strategic Acquisitions

- Bolt-on / new product
- Leverage cost structure



Product Innovations

- New technologies

Focused ESG Efforts Underway



Aligned with Growth Strategy



- Safeguard employees
- Set sustainability goals toward continuous improvements
- Achieve energy efficiency



- Diversity and inclusion
- Community and stakeholder engagement
- Respect for human rights

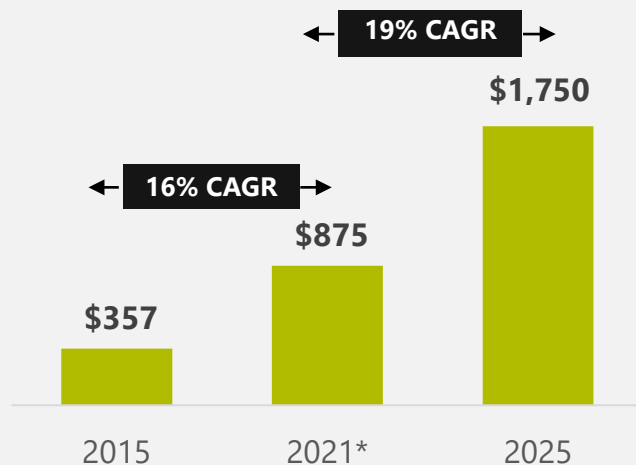


- Leading governance standards
- Management accountability
- Overall transparency

The Road Ahead

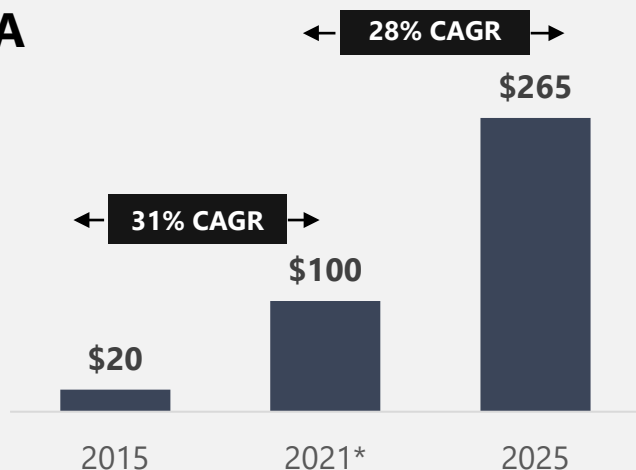
Revenue

(in millions)



Adjusted EBITDA

(in millions)



*Based on Midpoint Forecast

2025 Financial Objectives

Revenue **\$1.75B**

Adj. EBITDA Margin **15%**

Enablers

- Strong brands
- Growing markets
- Leading technology
- Operational excellence
- Experienced leadership team



Chad Heminover

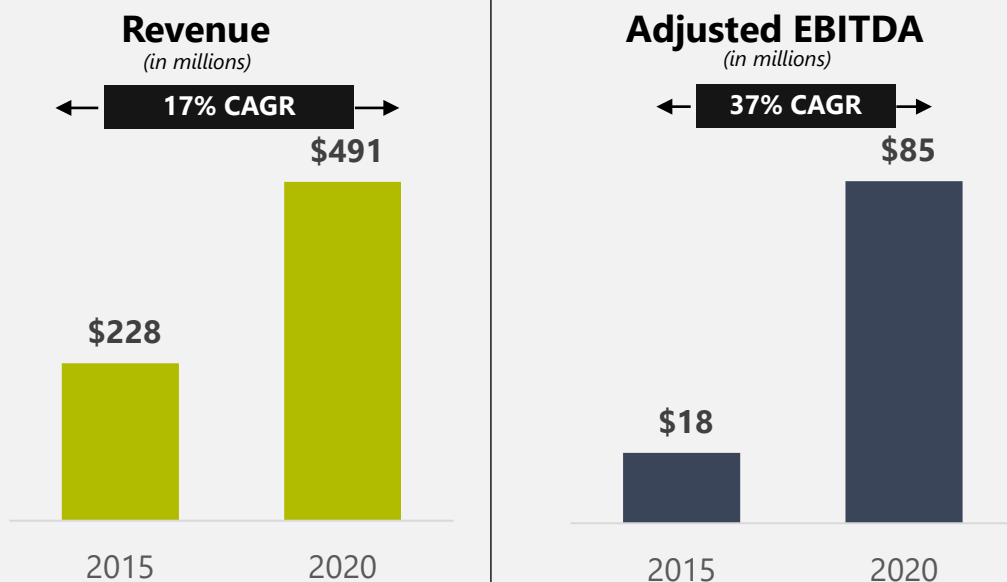
President, Fleet Vehicles & Services

Fleet Vehicles and Services

North American leader in purpose-built delivery vehicle solutions

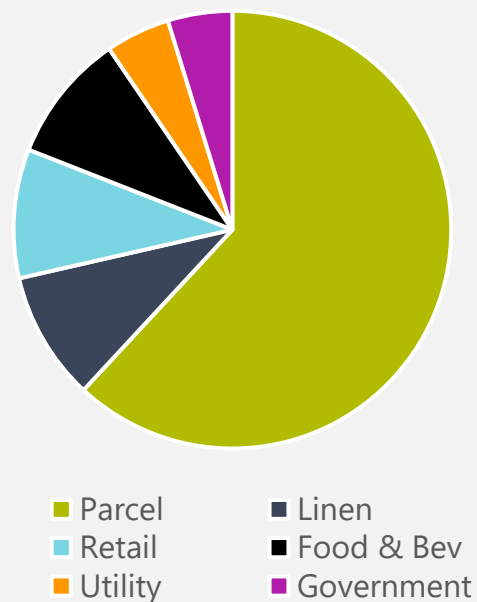
\$491M in 2020 Sales

75% of Shyft Group



Total Addressable Market \$3.2B













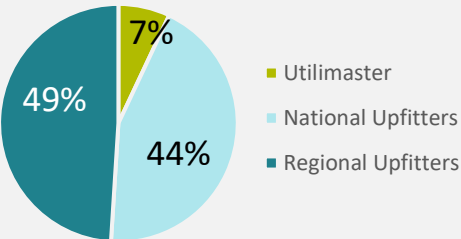
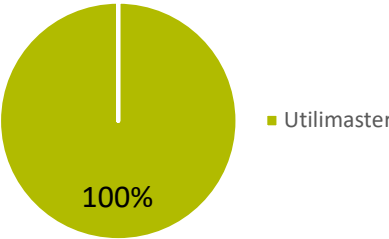
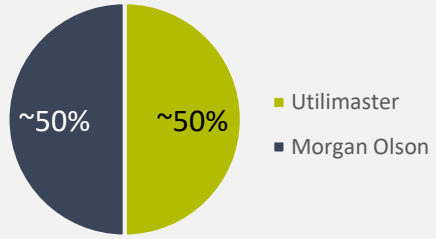
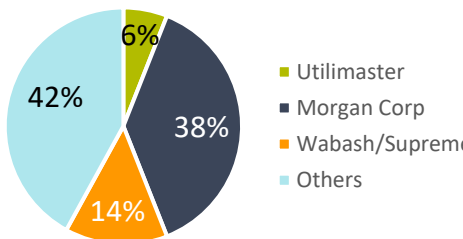
Revenue By End Market





Growth Drivers

- Parcel delivery
- Replacement cycle
- Breadth of innovative products
- One-stop shop
- EV adoption

Industry Leading Breadth of Product

	Cargo Van Upfit	"Velocity"	Traditional Walk in Van	Truck Body
				
	Class 1 & 2   GVWR 6,000 - 10,000 lbs.	Class 2 & 3   GVWR 9,350 - 12,125 lbs.	Class 4 & 5   GVWR 16,000 - 19,500 lbs.	Class 6 & 7   GVWR 26,000 - 33,000 lbs.
Vehicle Life	3 – 7 years	5 – 7 years	15 – 20 years	7 – 10 years
Est. Annual Units*	500,000	15,000	35,000	80,000
Share				
TAM	\$1.2B TAM		\$2.0B TAM	

 Available in EV, CNG, and propane propulsion technologies  Available in refrigeration

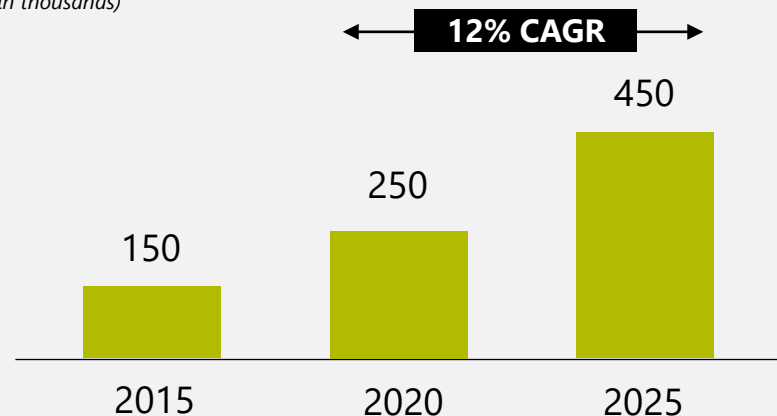
*Source: 2020 SpecialtyTransportation.net Reports and management estimates

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Parcel Delivery Growth Clear through 2025

Major Carrier Fleet Size*

(Units in thousands)



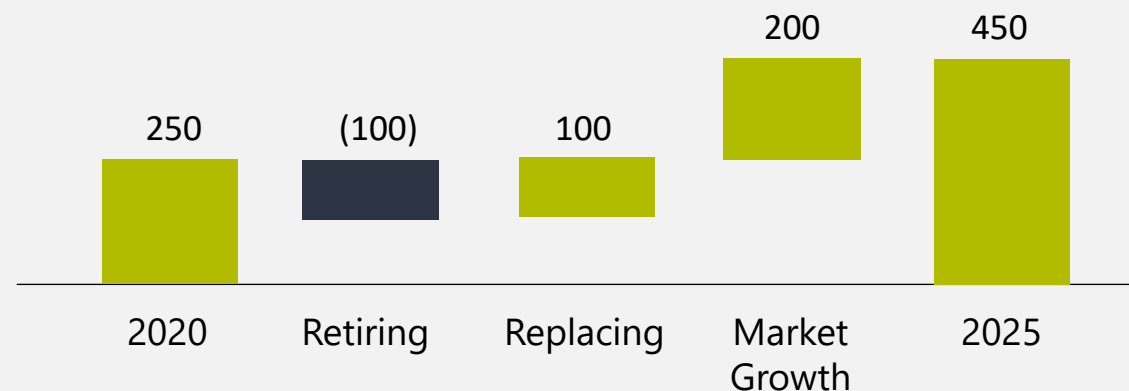
Parcel Outlook

- U.S. package volume to increase to ~31B packages by 2025 – a 7-10% CAGR
- COVID-19 accelerated shift to e-commerce by 2-3 years
- Alternative delivery tech (drones, etc.) not expected to become significant competition

*Estimated amounts and includes only walk-in-vans and cargo vans and excludes USPS. Source: Third party commissioned study.

Fleet Vehicle Demand Sources

(Units in thousands)



Utilimaster: Industry Leader in Parcel

- WIVs remain unmatched in cargo capacity, durability, and efficiency
- Well positioned ship-thru upfitting business provides good exposure to growth in cargo vans
- Large installed base and long-standing customer relationships

Diversification Initiatives

Attractive market opportunities with annual revenue potential of ~\$100M by 2025



Refrigeration Upfit

- Refrigeration products thru partnerships

Expanding Upfitting Capabilities

- Cranes, winches, jackhammers
- Self-contained generator, welding station

Pick-up Truck Upfit Ship-Thru

- Bed caps & side outs
- Toolboxes & pull-out storage
- Racks & ladders

Enablers

National footprint

Flexible manufacturing

Versatile product lines

Capable employees

Customer-Focused Culture of Innovation

Work-Driven Design[®] = The Utilmaster Difference



Learn & Listen



Needs Assessment



Design & Innovate



Build & Implement



Optimize

Responsive to Customer Needs

3

Average months required
to get to full production

15

Average months from full
body design to production

> \$200M

New product backlog
as of 1Q21

2,522

Number of alternative
propulsion vehicles
delivered since 2004

Continuous Mindset of Innovation



2019 - AUGUST

Utilimaster launches F59 EV Lithium-Ion chassis with Motiv partnership



2020 - Q3

Utilimaster developed 2 Electric Vehicles with SEA Electric



2021 - MARCH

Utilimaster redeveloping Trademaster utility offering



2022 - MARCH

Utilimaster developing new walk-in-van Body

2019

2020

2021

2022

2019 - JULY

Utilimaster launches EV Reach with Cummins partnership

2020 - AUGUST

Utilimaster launched Velocity-M3 Class-3 walk-in-van

2020 - NOVEMBER

Utilimaster launched Velocity-F3 Class-2 walk-in-van

2021 - MAY

Utilimaster developing Velocity-R2 Class-2 walk-in-van

2021 - NOVEMBER (LIGHT BODY)

Utilimaster developing new Class-3 body



FVS Electric Vehicle Strategy

Demand for EVs is strong but there are significant barriers to adoption, which will limit widespread deployment until the mid 2020s

FVS EV customer-driven strategy currently includes:

- Integrating OEM EV chassis into a specialty vehicle product
- EV skateboard – partnering with EV chassis suppliers to manufacture EV vehicles
- Key party that interfaces with end customers and understands their needs

FVS EV initiatives to remain body “builder of choice”

- Weight reduction
- Alternative materials
- New technologies for power load optimization
- Modernize design
- Modular design
- Ease of serviceability

Margin Expansion through Operational Excellence

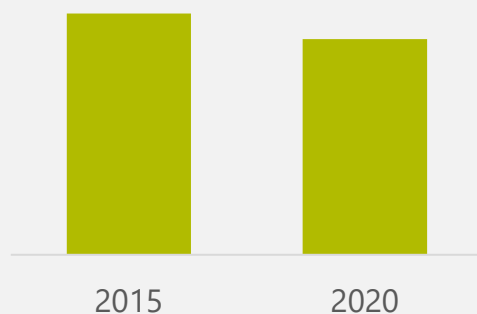


Labor

- Process innovation
- Standardization
- Leveraging lean principles

% of Sales

← 80 bps decrease →

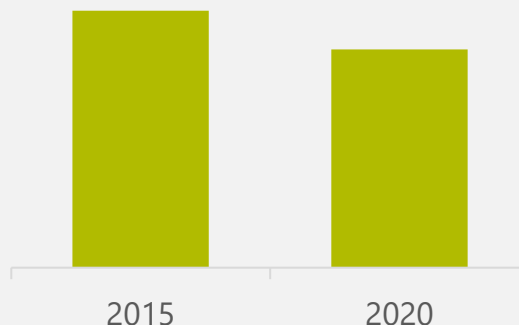


Material Cost

- Global sourcing
- Vertical integration
- Alternative materials
- Pricing

% of Sales

← 370 bps decrease →

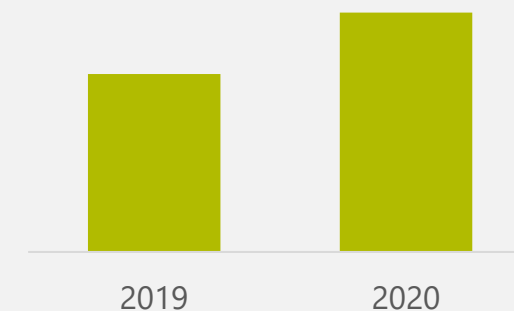


Walk-in-van Capacity

- Same footprint increased output
- Production automation
- Flexible manufacturing

Production Capacity Increase

← 34% Increase →



EBITDA margin expansion of 10 pts since 2015

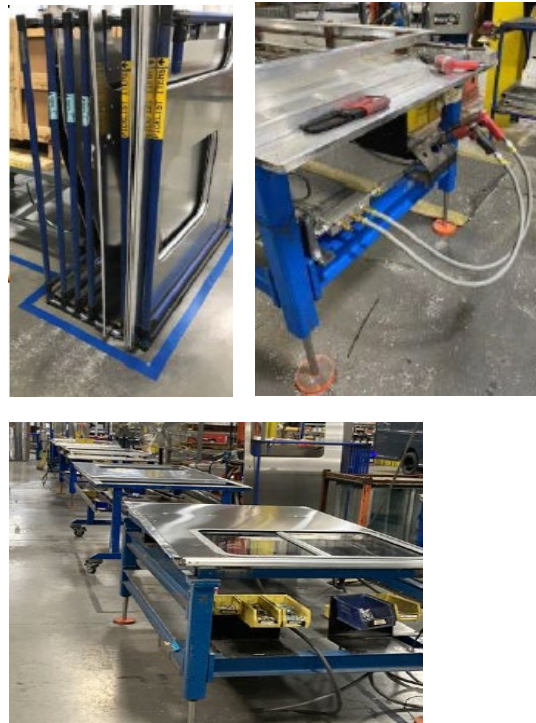
Continuous Improvement Case Study

Project Charter: Bristol Door Build Kaizen Team – October 2020

Before



After

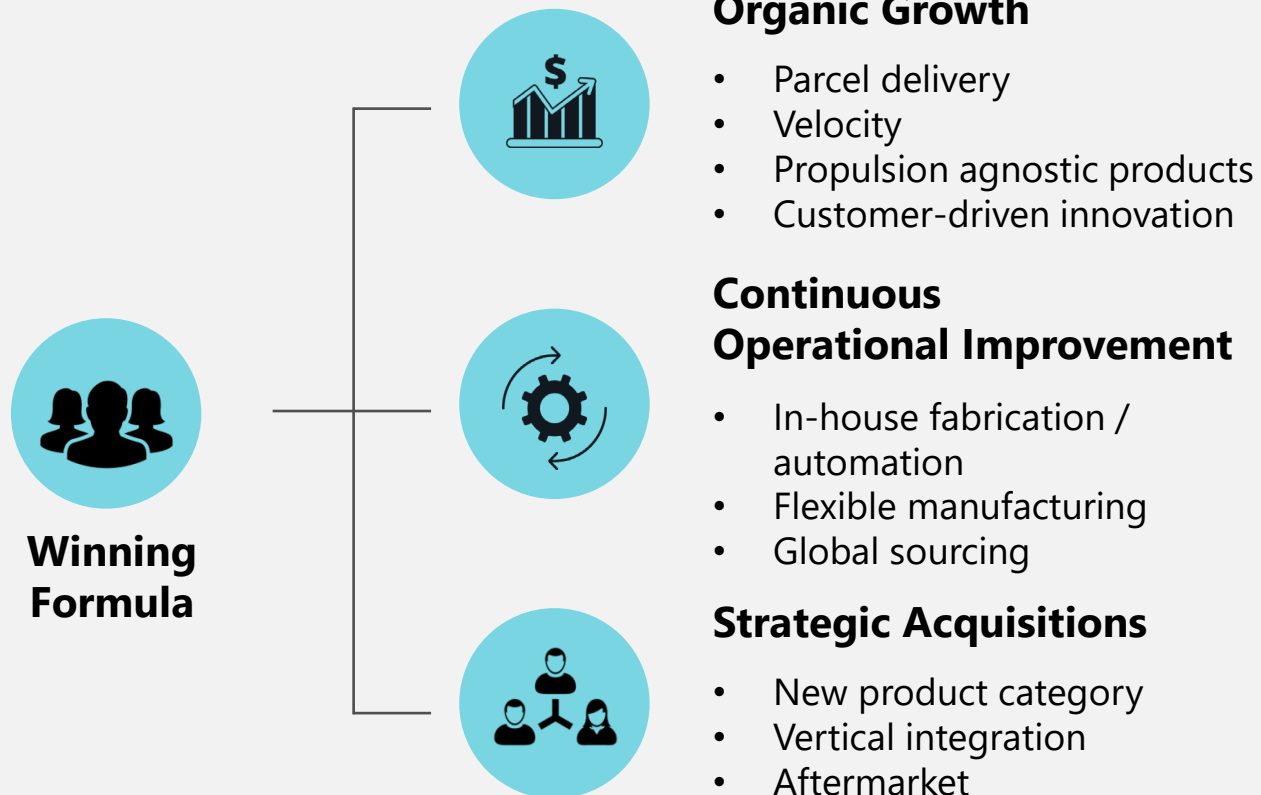


Realized Benefits

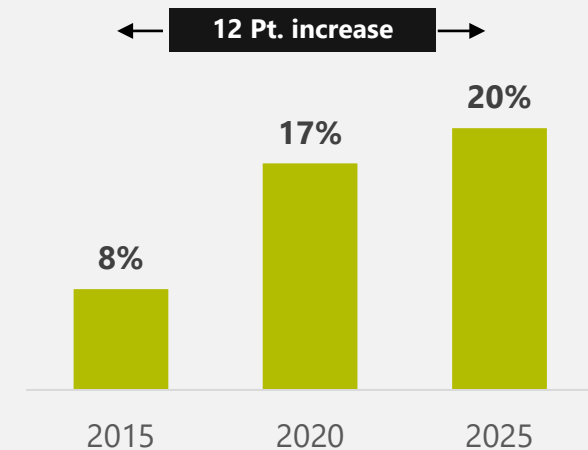
- Daily door production up +13%
- Reduced man hours per unit by -45%
- Safety burden lowered by -56%
- Sq. footage requirement reduced by -30%
- WIP inventory reduced by -89%

Annualized savings \$400K

The Road Ahead



Adjusted EBITDA ~20%





Steve Guillaume

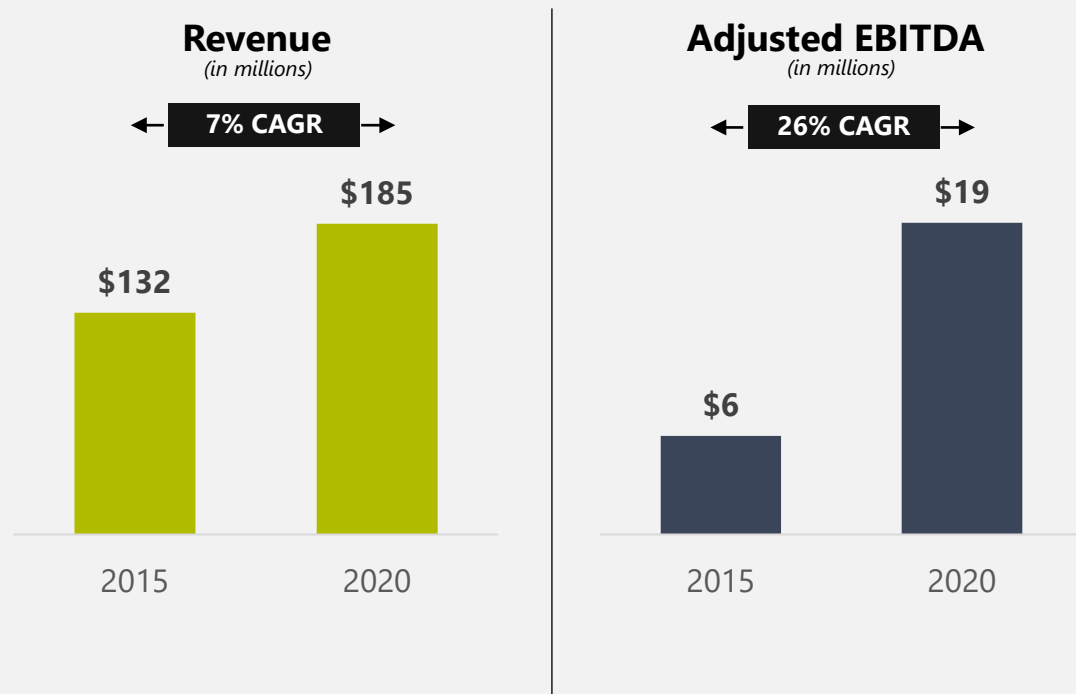
President, Specialty Vehicles

Specialty Vehicles

North American leader in service vehicle and specialty chassis manufacturing

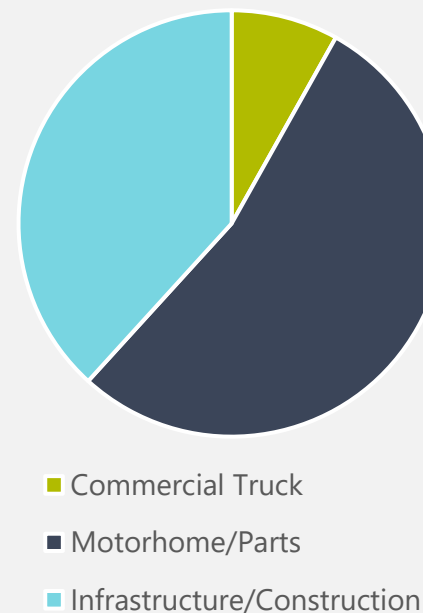
\$185M in 2020 Sales

25% of Shyft Group



Total Addressable Market \$1.7B*

Revenue By End Market



Growth Drivers

- U.S. infrastructure spend
- Consumer confidence (RV)
- GDP growth
- Innovation / content
- Residential and commercial construction

*Source: 2020 SpecialtyTransportation.net, Statistical Surveys, Polk and management estimates

Industry Leading Specialty Brands

RV Chassis TAM: \$610M



Builtmore TAM: \$90M



Product

Premier Class A diesel foundation
with best-in-class product technology



EV
Contract Mfg.

N-Gas
GVWR 14,000 lbs.

F-Series
GVWR 26,000 lbs.

Partners

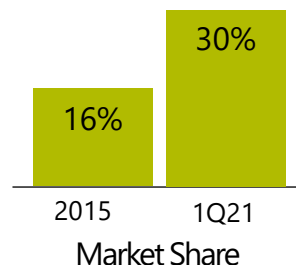


Full Portfolio of Class 3-7

ISUZU

Growth Drivers

- Proven ability to gain market share through innovation and platform expansion
- Strong customer demand driven by aging population and post-COVID travel
- Continued operational focus
 - Adjusted EBITDA up 280% since 2015



- 3 new EV contract manufacturing projects in process
- Expand offerings as Isuzu 'Supplier of Choice'
 - Class 5 Q1 2021
 - Class 7 Q3 2021
- Launched new modification center in 2020 - \$1M+ revenue potential with strong growth opportunity

Recent Acquisitions



100% increase in profitability



25%+ ROIC by year 3

\$100M+
Combined Revenues Run Rate

After Acquisition

Driving Organic Service Body Growth Through Product Extension

Service Body TAM: \$1.0B



- Comprehensive portfolio steel and aluminum service bodies
- Innovative high-quality truck accessories
- Meeting geographic demand of customers

Market Share:
3% in 2019 to 6% in 2021



Severe duty bodies with crane



Contractor & platform bodies



Dump & landscape



New e-coated steel service body XP

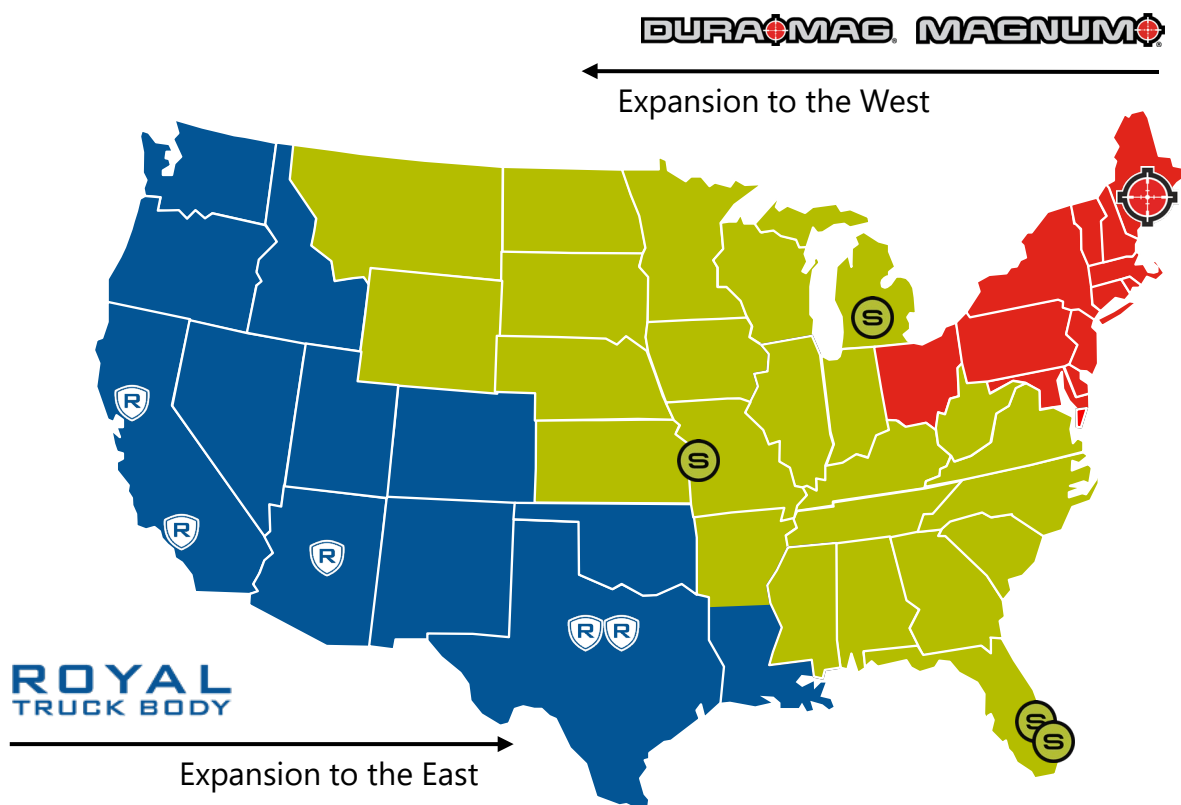


Accessory product expansion



Service van body

Organic Growth: Geographic and Commercial Initiatives



National Expansion

- Expansion East and West
- Ecommerce growth of accessories
- New growth territories

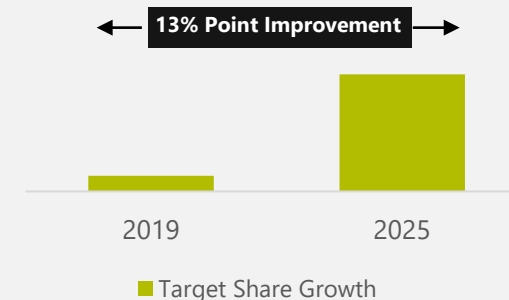
Channel

- Added ship through locations
- Expansion of company branches
- Drove 20% increase in chassis pool

Product

- Cross-pollination of Duramag and RTB
- Expanded customer offerings
- Innovation driving product differentiation

Service Body Market Share



Now Rated in Top-5 within OEM Chassis Pools

Target – Double the business by 2025

Driving Innovation Across Entire Portfolio

Service Body



- Next generation service body
- Internal hinge
- Maglock electronic locking
- Accessory expansion
- Fortress locking



Toolbox



Maglock Electronic Locking



Fortress 5-Point Locking

Motorhome



- Advance protection
- Safe haul
- Mobile eye
- Digital instrument cluster
- Ride and handling



360° Sense Camera System

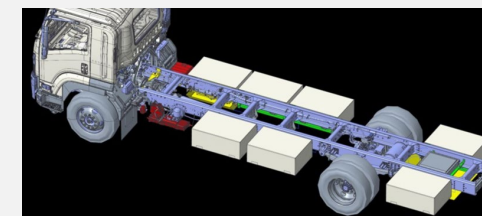


Gen 2 Digital Dash

Builtmore



- Multi-product assembly operations
- EV system upfit
- Production flexibility
- Quality systems



Margin Expansion through Operational Excellence

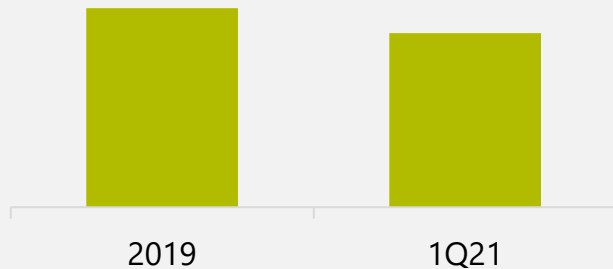


Labor – Royal Truck Body

- Execution of lean manufacturing
- One piece flow
- Process flow optimization

% of Sales

160 bps reduction

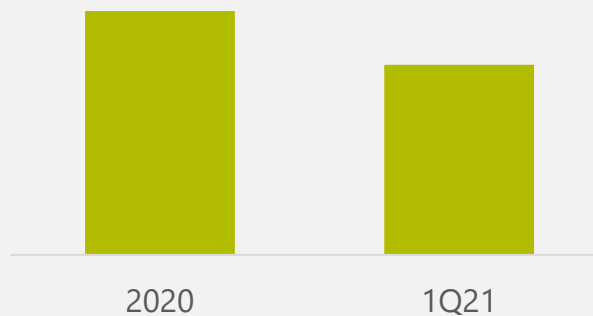


Operation Consolidation - Motorhome

- MFG footprint consolidation
- Line side material / sub-assembly
- Increased capacity

Hours Per Unit Reduction

22% reduction

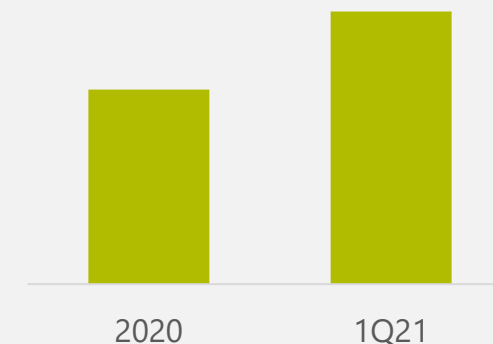


Capacity - DuraMag

- Same footprint - increased output
- Improved process flow
- Production capital

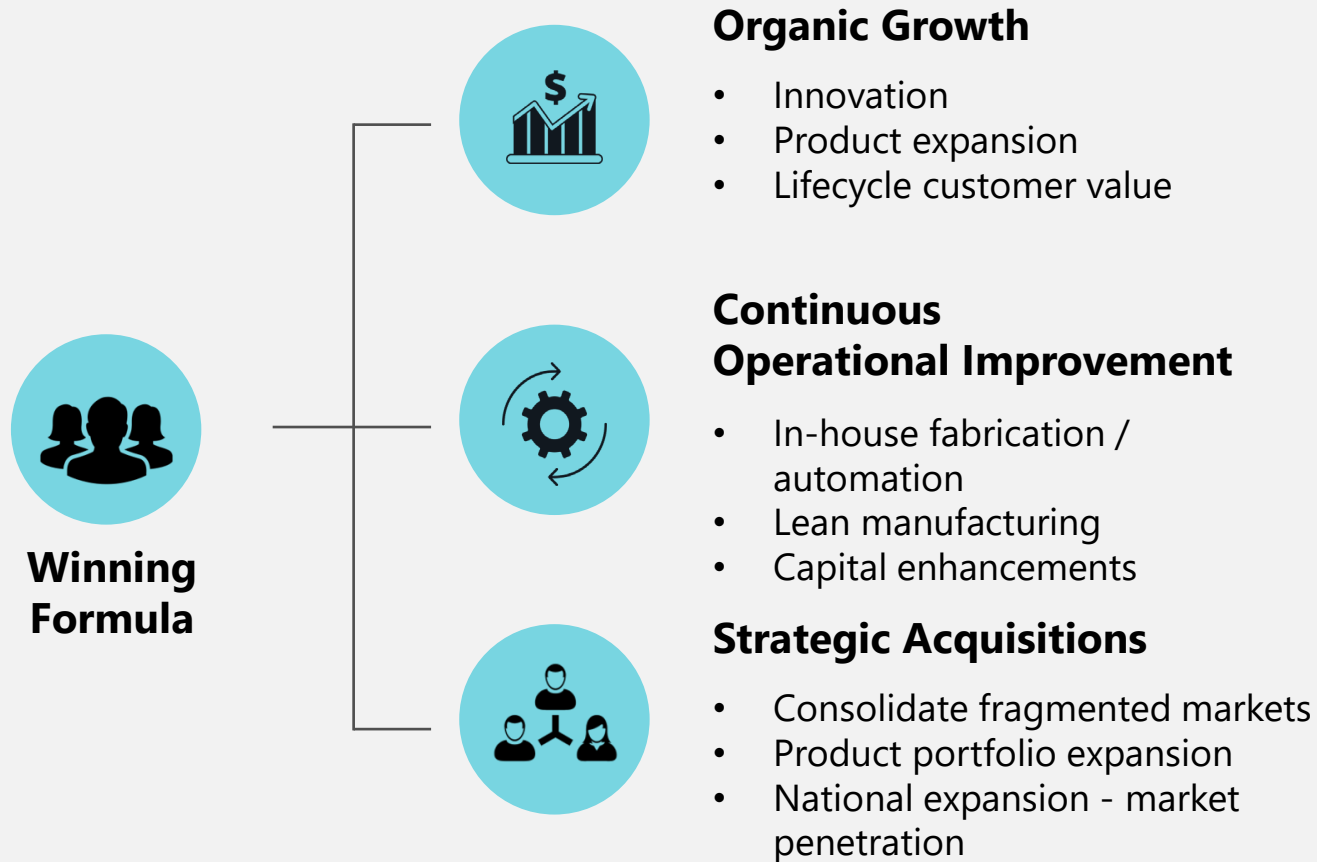
Capacity

40% increase

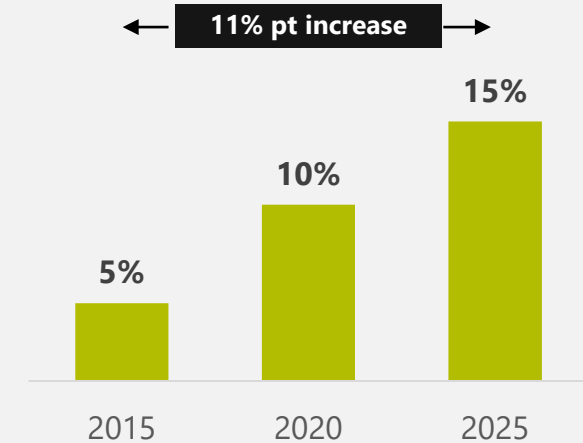


EBITDA margin expansion of 6 pts since 2015

The Road Ahead



Adjusted EBITDA ~15%





Intermission



Daryl M. Adams

President and Chief Executive Officer

Electric Vehicle Landscape is Changing

Governmental and company “green” mandates driving electric vehicle adoption

Customers are looking for an OEM purpose-built EV chassis

\$16B TAM in Class 3, 4 & 5 vehicles for North America

Over 50% of global light and medium duty vehicles sales will be EV by 2040*

*Source: BloombergNEF 2020 EVO and management's estimates. Light duty commercial vehicles include last-mile and distribution vehicles weighing less than 3.5 tons. Medium duty commercial vehicles refer to freight and distribution vehicles weighing between 3.5-15 tons.

Fleet “Green” Mandates Driving Adoption

Fleet GHG Reduction Goals



(12%) GHG
by 2025



All Electric
PUD by 2040



Carbon Neutral
by 2040



Net Zero
GHG by 2040



(15%) GHG
by 2025



Shyft's Expertise is Second to None

Shyft has built specialty vehicles chassis for 46 years

Shyft has built alternative propulsion vehicles for 17 years

Shyft has built electric vehicles for 9 years

Hybrid vehicles	1,223 units
CNG vehicles	821 units
Propane vehicles	10 units
Electric vehicles	468 units
Total	2,522 units



SHYFT INNOVATIONS

New Technologies To Drive Future Growth



Video

Shyft Electric Vehicle Chassis

Performance Specifications

Purpose-Built Flat Modular Solution

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

Battery specifications

- 120-160 kWh packs (Li-ion-NMC)
- 150-175 mile range @ 50% payload
- Charge time of 2-6 hrs

Performance

- Top Speed of 65 mph
- 10-year life cycle
- 5-year / 100,000-mile powertrain warranty

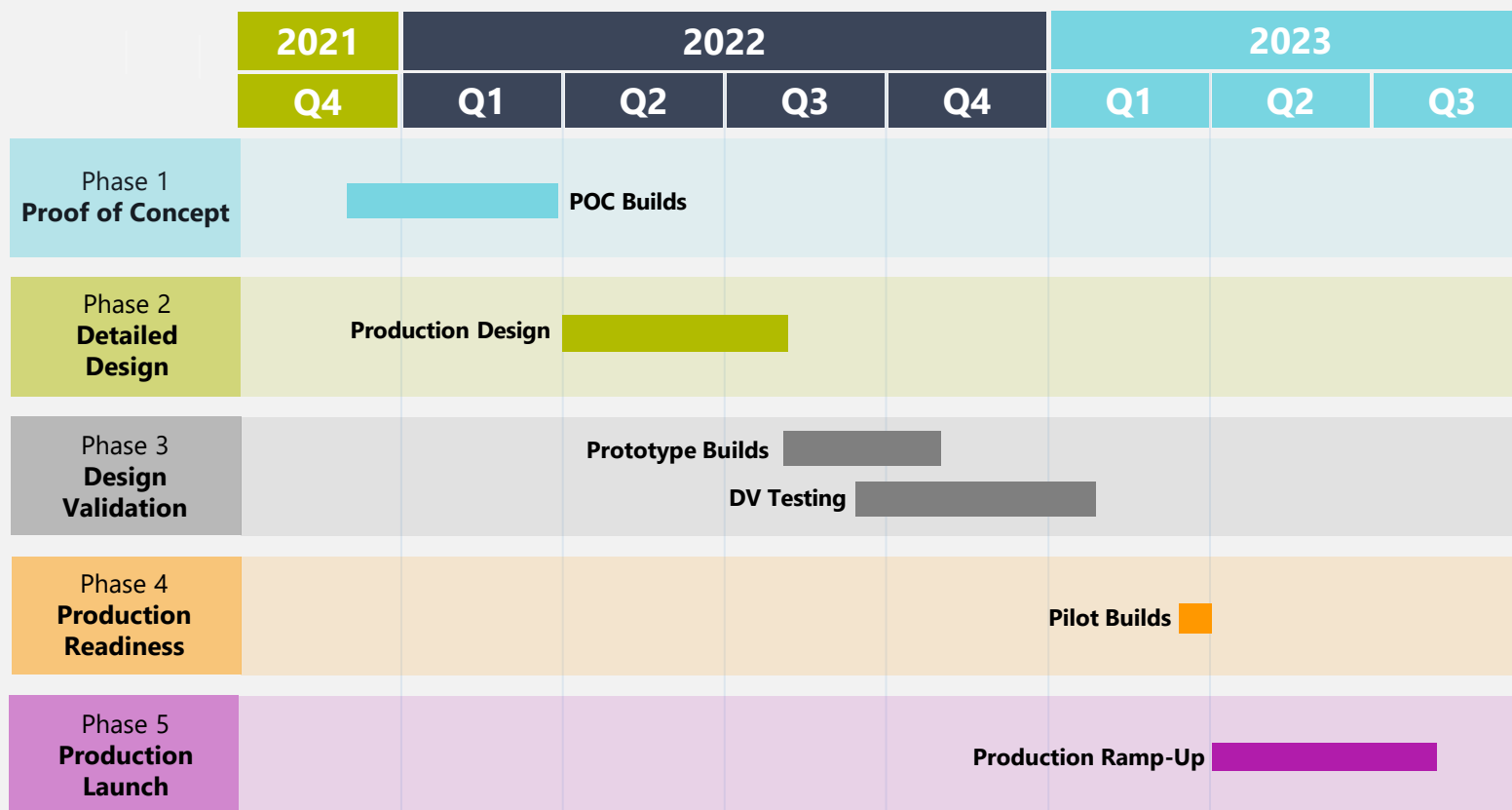


Optimized Flat Modular Design

- Vehicle class and application agnostic
- Cost-effective customization
- Software-enabled platform and integration

Program Timeline and Manufacturing Plan

Total investment for the program is estimated to be between \$50-75 million



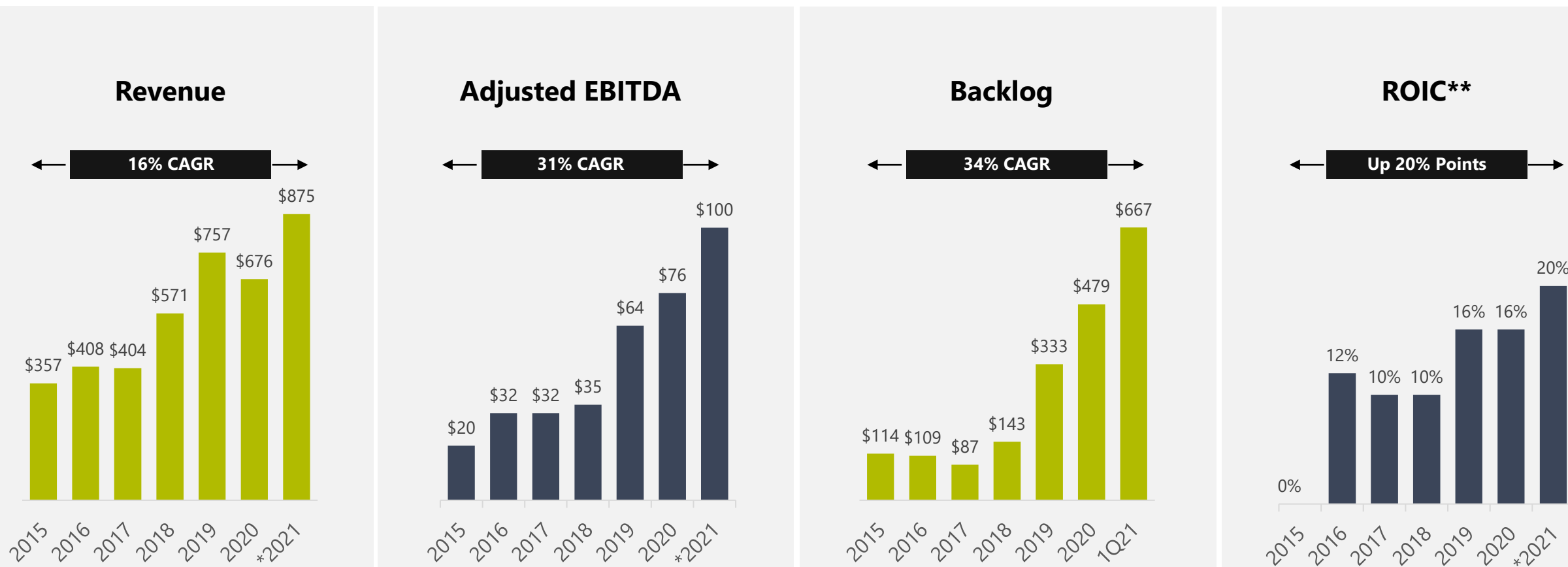
- Leverage Shyft's experienced chassis team
- Leverage industry EV supply base and integrate proven components
- Leverage deep knowledge of product and service delivery needs



Jon Douyard

Chief Financial Officer

Historical Financial Performance



Results of portfolio transformation are clear

*Based on Mid-point Forecast

** ROIC is net operating profit after taxes divided by average long-term debt and shareholders' equity

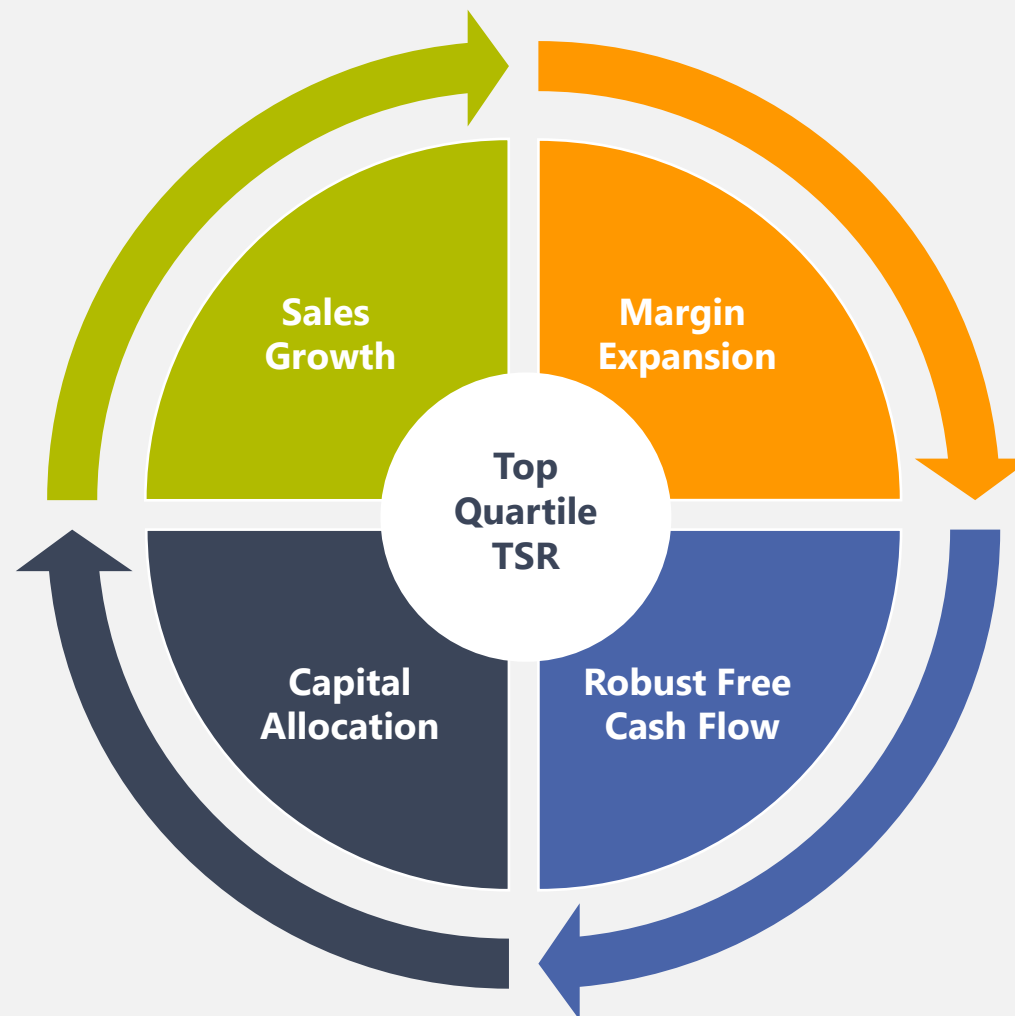
2025 Roadmap

GDP+ Sales Growth

- Parcel market tailwinds
- New product launches
- EV chassis launch

Accelerate Strategy

- Organic investments in portfolio
- Maintain strong balance sheet
- Disciplined M&A
- Investment in innovation



Operational Excellence

- Pricing > inflation
- VAVE initiatives
- Lean & labor efficiencies
- Leverage cost structure

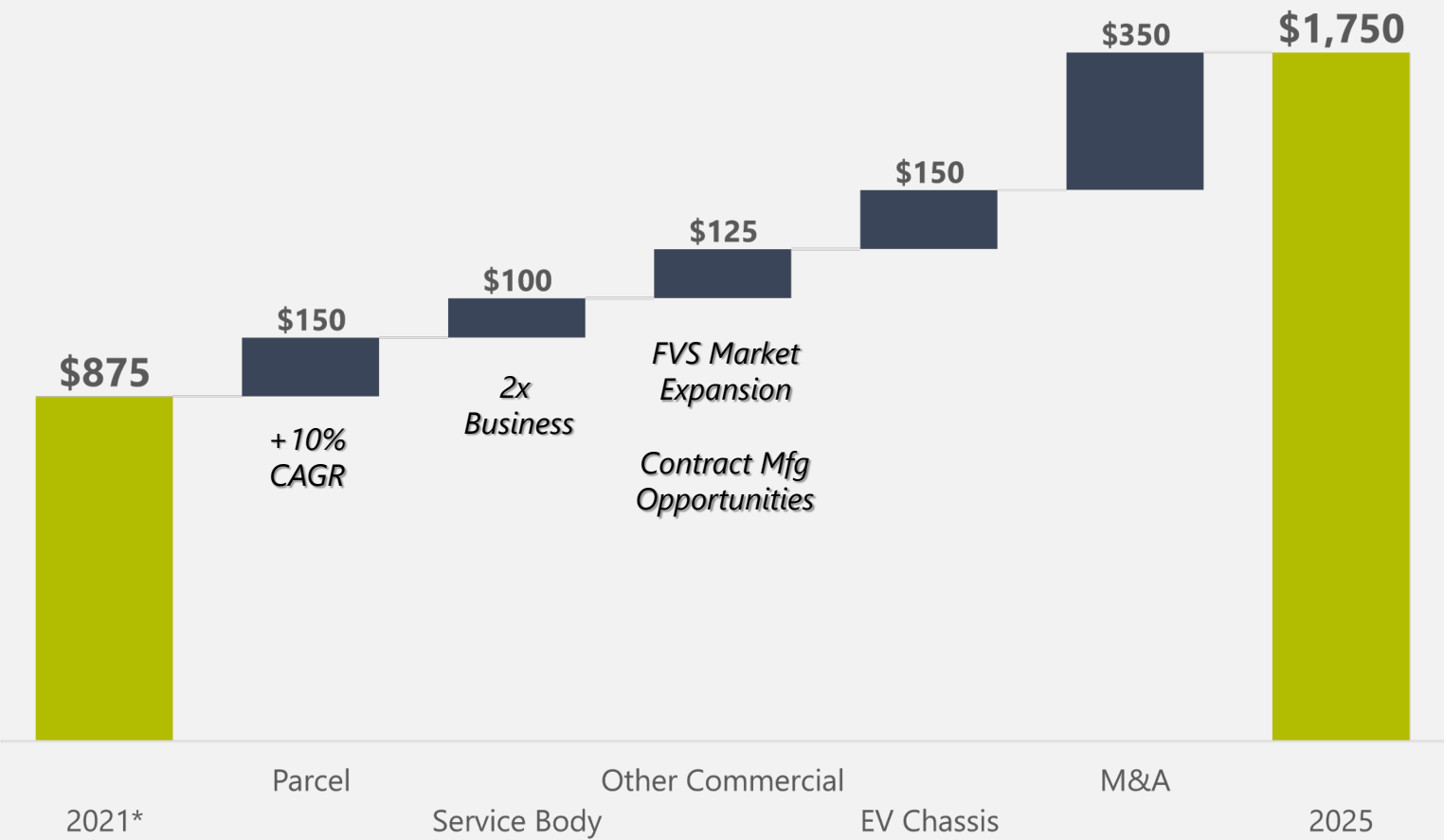
Working Capital Efficiency

- Annual targets on cash conversion cycle
- Rigorous inventory management



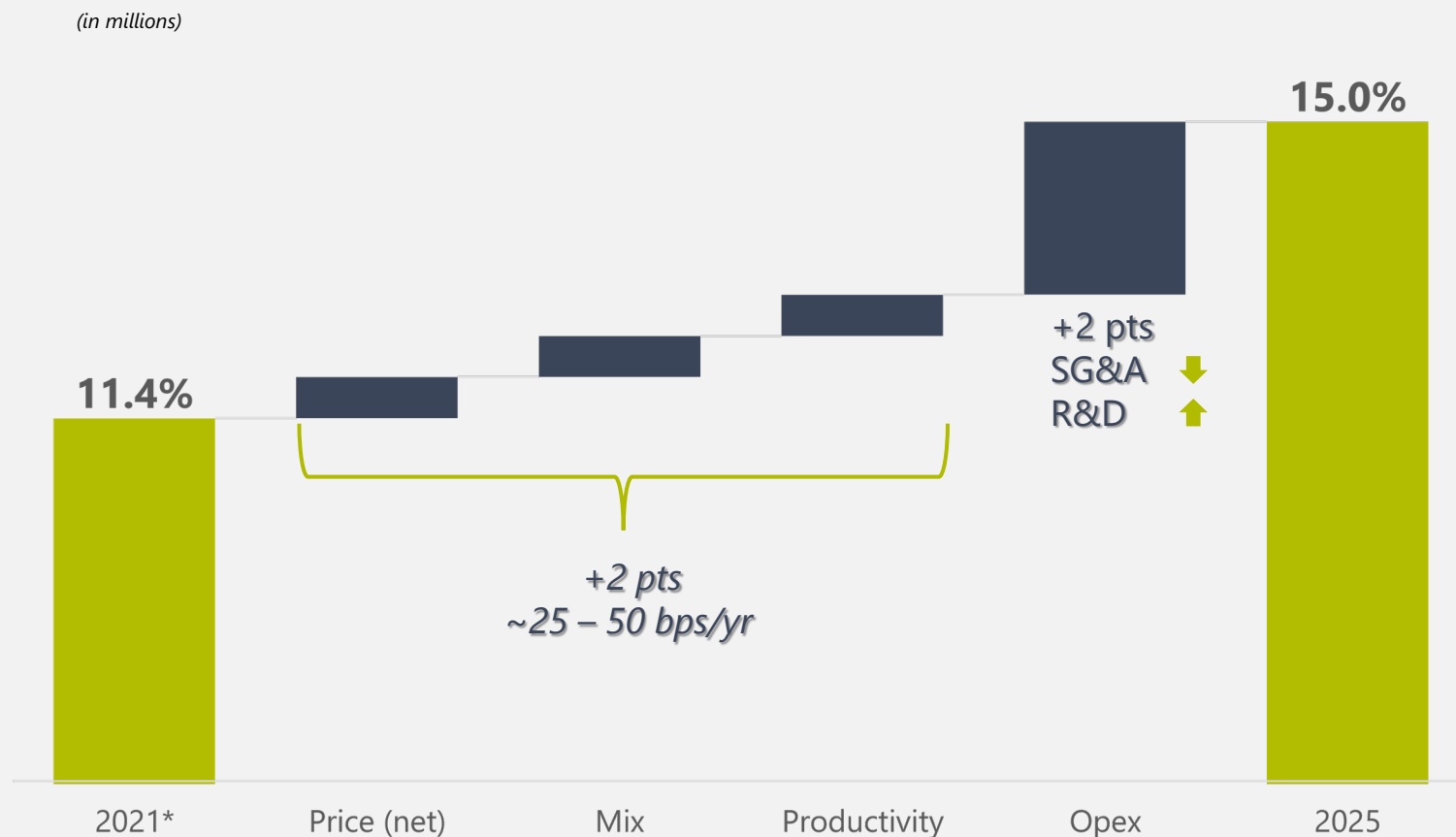
2025 Revenue Roadmap

(in millions)



*Based on Midpoint Forecast

2025 Adjusted EBITDA Roadmap



*Based on Midpoint Forecast

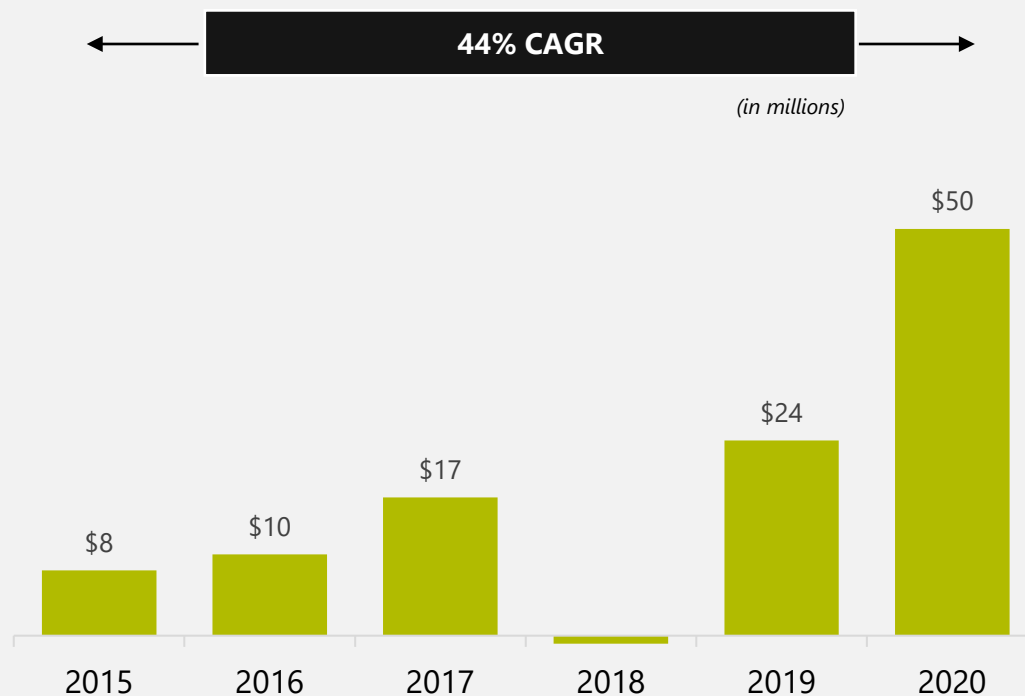
Driving Sustainable Strong Free Cash Flow is a Priority

> 100%

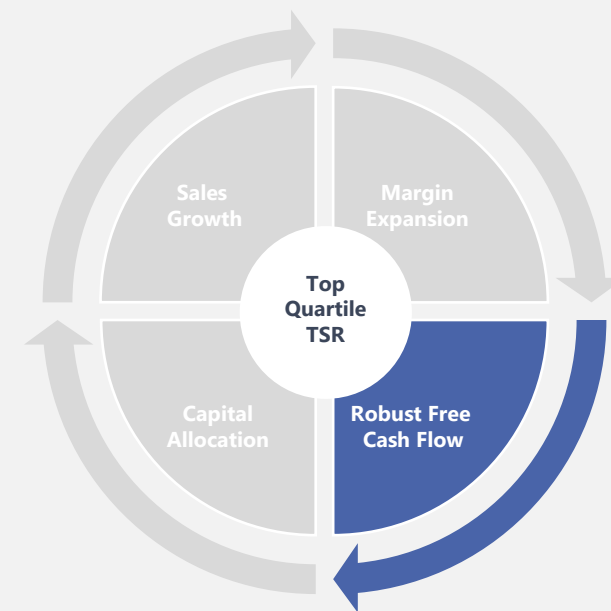
Targeted annual cash conversion ratio* by 2024

*Free cash flow / Net Income

FCF: Operating cash flow less property, plant and equipment (includes discontinued operations)



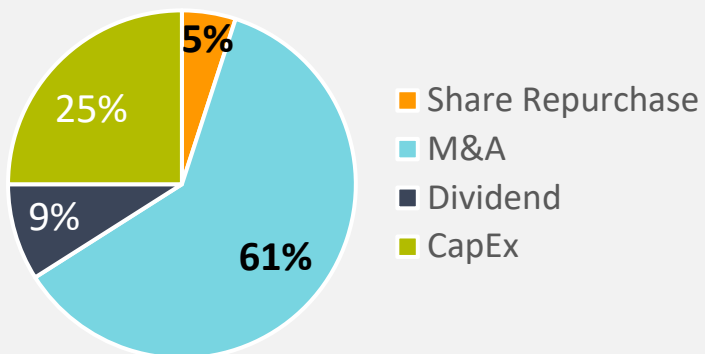
2X increase in 2020 despite COVID headwinds



Capital Allocation Framework

Capital Allocation

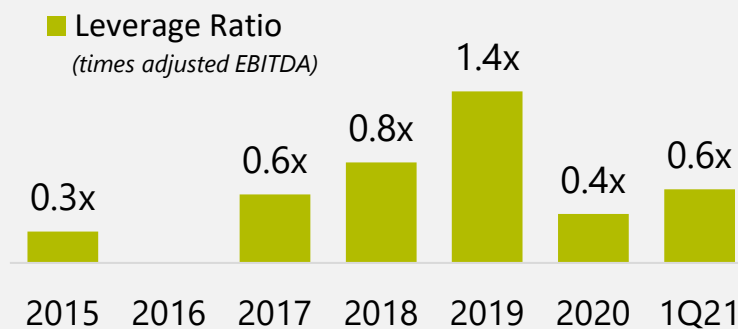
2015-2020: Total \$230M Investment



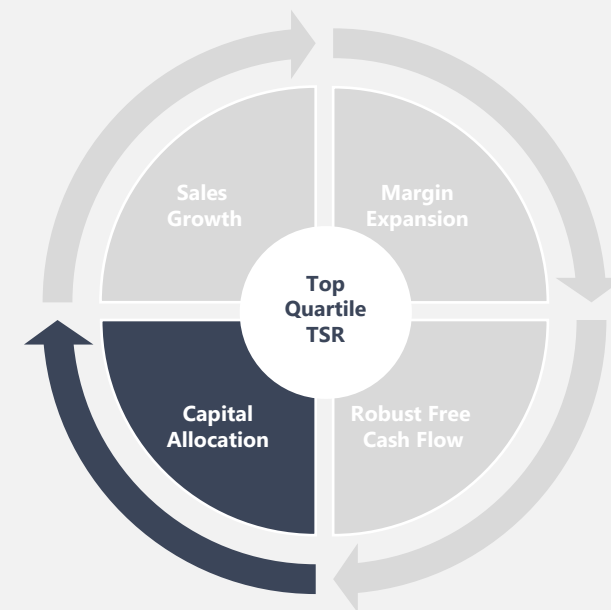
Framework

- Maintain dividend
- Fund operations & innovation
- M&A
- Share repurchase
- Dividend increase

Debt Structure



- Prudent debt management
- Solid banking relationship



~\$400M Free Cash Flow through 2025 with up to ~3.0X EBITDA of additional debt capacity

Acquisition Playbook

Disciplined, focused, and strategic approach to M&A

Strategic Fit

- Long-term market attractiveness
- Demonstrated product innovation
- Strong brand and competitive advantage
- Accretive financial profile

Value Creation

- Focus on ROIC
- Accelerate growth strategy
- Cross-selling/pollination opportunities
- Product portfolio and geographic expansion
- Lean opportunities



2017

2018



2019



2020

2021



Why Invest in The Shyft Group

Leading product offerings in high growth markets

Proven ability to expand margins

Strong balance sheet with FCF generation expected to grow through 2025 and beyond

Disciplined approach to M&A and internal investments

Demonstrated performance of delivering top tier TSR



Daryl M. Adams

President and Chief Executive Officer

The Road Ahead.





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, 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 these non-GAAP measures because we consider them to be important supplemental measures of our performance. The presentation of these non-GAAP measures 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 these measures 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 these non-GAAP measures 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 these non-GAAP measures, when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, 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



Financial Summary (Non-GAAP)
Continuing Operations
(In thousands, except per share data)
(Unaudited)

	2020	2019	2018	2017	2016	2015
Income from continuing operations	38,289	36,790	18,116	17,471	18,273	149
Net (income) loss attributable to NCI	(347)	(140)	-	1	7	-
Interest	1,293	1,839	1,080	864	410	365
Taxes	9,867	10,355	3,334	2,382	6,645	13,366
Depreciation & amortization	13,903	6,073	6,214	6,032	5,215	4,959
EBITDA	63,005	54,917	28,744	26,750	30,550	18,839
Restructuring and other related charges	1,873	316	662	798	-	-
Acquisition related expenses and adjustments	1,332	3,531	1,952	588	14	-
Non-cash stock-based compensation expense	7,706	5,281	4,027	3,536	1,536	1,198
Loss from write-off of construction in process	2,430	-	-	-	-	-
Adjusted EBITDA	76,346	64,045	35,385	31,672	32,100	20,037
Income from continuing operations	38,289	36,790	18,116	17,471	18,273	149
Net (income) loss attributable to NCI	(347)	(140)	-	1	7	-
Restructuring and other related charges	1,873	316	662	798	-	-
Acquisition related expenses and adjustments	1,332	3,531	1,952	588	14	-
Non-cash stock-based compensation expense	7,706	5,281	4,027	3,536	1,536	1,198
Loss from write-off of construction in process	2,430	-	-	-	-	-
Accelerated depreciation of property, plant and equipment	3,061	-	-	-	-	-
Deferred tax asset adjustment	376	135	(313)	(4,226)	(2,932)	9,379
Favorable tax rate in income taxes receivable	(2,610)	-	-	-	-	-
Tax effect of adjustments	(3,892)	(2,056)	(1,433)	(1,713)	(550)	(447)
Adjusted net income	48,218	43,857	23,011	16,455	16,348	10,279
EPS	1.05	1.03	0.52	0.50	0.53	-
Restructuring and other related charges	0.05	-	0.02	0.02	-	-
Acquisition related expenses and adjustments	0.04	0.11	0.06	0.02	-	-
Non-cash stock-based compensation expense	0.21	0.15	0.11	0.10	0.05	0.03
Loss from write-off of construction in process	0.07	-	-	-	-	-
Accelerated depreciation of property, plant and equipment	0.09	-	-	-	-	-
Deferred tax asset adjustment	0.01	-	(0.01)	(0.12)	(0.08)	0.28
Favorable tax rate in income taxes receivable	(0.07)	-	-	-	-	-
Tax effect of adjustments	(0.11)	(0.05)	(0.04)	(0.05)	(0.02)	(0.01)
Adjusted EPS	1.34	1.24	0.66	0.47	0.48	0.30

Reconciliation of Non-GAAP Financial Measures



Financial Summary (Non-GAAP)
Consolidated
(In thousands)
(Unaudited)

	2020	2019	2018	2017	2016	2015
Operating Activities						
Net earnings (loss)	\$ 33,166	\$ (12,426)	\$ 15,012	\$ 15,934	\$ 8,603	\$ (17,480)
Depreciation & amortization	14,187	11,180	10,370	9,937	7,903	7,437
Asset impairments	-	53,131	-	-	406	2,234
Other non-cash charges	33,403	(12,958)	2,579	8,649	11,846	21,709
Changes in assets and liabilities	(16,424)	(4,746)	(19,935)	(12,504)	(5,430)	(1,044)
Net cash provided by operating activities (A)	64,332	34,181	8,026	22,016	23,328	12,856
Capital expenditures (B)	(14,534)	(10,042)	(8,985)	(5,340)	(13,410)	(4,895)
Acquisition of business, net of cash	(18,050)	(88,938)	(5,200)	(28,903)	-	-
Proceeds from sale of business	47,500	-	-	-	-	-
Proceeds from long-term debt	16,000	92,000	7,684	32,919	10	-
Payments on long-term debt	(81,000)	(30,175)	(66)	(15,070)	(5,058)	(75)
Payment of dividends	(3,565)	(3,572)	(3,516)	(3,508)	(3,444)	(3,426)
Purchase and retirement of common stock	(7,503)	(793)	(656)	-	(2,000)	-
Other	(1,534)	(751)	(3,371)	(632)	(86)	(329)
Net increase (decrease) in cash and cash equivalents	\$ 1,646	\$ (8,090)	\$ (6,084)	\$ 1,482	\$ (660)	\$ 4,131
Free cash flow (A-B)	\$ 49,798	\$ 24,139	\$ (959)	\$ 16,676	\$ 9,918	\$ 7,961

Reconciliation of Non-GAAP Financial Measures

Financial Summary (Non-GAAP)

Consolidated*

(In thousands)

(Unaudited)

	2021**	2020	2019	2018	2017	2016	2015
Operating income (loss)	\$ 73,821	\$ 48,848	\$ 47,614	\$ 22,518	\$ 19,349	\$ 24,699	\$ 12,807
Less income tax expense	(21,549)	(9,867)	(10,355)	(3,334)	(2,382)	(6,645)	(13,366)
Net operating profit after taxes (A)	52,272	38,981	37,259	19,184	16,967	18,054	(559)
Beginning shareholders' equity	200,159	171,747	186,082	168,269	152,952	148,491	168,618
Ending shareholders' equity	254,589	200,159	171,747	186,082	168,269	152,952	148,491
Average shareholders' equity	227,374	185,953	178,915	177,176	160,611	150,722	158,555
Beginning long-term debt, including current portion	23,639	88,847	25,607	17,989	139	5,187	5,261
Ending long-term debt, including current portion	38,282	23,639	88,847	25,607	17,989	139	5,187
Average long-term debt, including current portion	30,961	56,243	57,227	21,798	9,064	2,663	5,224
Total average long-term debt and shareholders' equity (B)	258,335	242,196	236,142	198,974	169,675	153,385	163,779
Return on Invested Capital (A/B)	20%	16%	16%	10%	10%	12%	0%

*Based on Item 6, Selected Financial Data, from the Company's Form 10K for the selected years.

**Based on Midpoint Forecast

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, 2021		
	Low	Mid	High
Income from continuing operations	\$ 51,028	\$ 54,628	\$ 58,328
Add:			
Depreciation and amortization	13,462	13,462	13,462
Interest expense	1,295	1,295	1,295
Taxes	17,793	19,193	20,493
EBITDA	\$ 83,578	\$ 88,578	\$ 93,578
Add (subtract):			
Non-cash stock-based compensation and other charges	11,422	11,422	11,422
Adjusted EBITDA	<u>\$ 95,000</u>	<u>\$ 100,000</u>	<u>\$ 105,000</u>
Earnings per share	\$ 1.42	\$ 1.52	\$ 1.62
Add:			
Non-cash stock-based compensation and other charges	0.32	0.32	0.32
Less tax effect of adjustments	(0.09)	(0.09)	(0.09)
Adjusted earnings per share	<u>\$ 1.65</u>	<u>\$ 1.75</u>	<u>\$ 1.85</u>



Thank you.