



MARKET UPDATE

Specialty Vehicle

MARCH 2024



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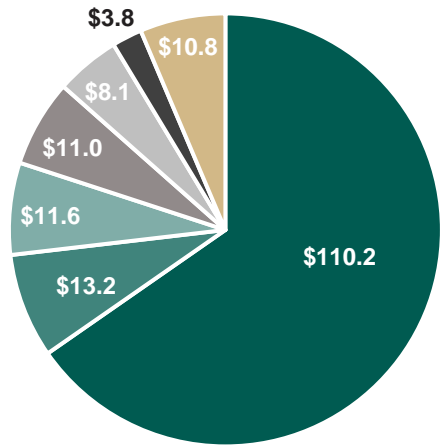
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Commercial Vehicle & Equipment Summary

2023 U.S. Commercial Vehicle & Equipment Shipments by Market Segment (\$ in billions)



- Trucks, Truck Chassis and Tractors
- Truck / Bus / Tractor Bodies and Cabs Sold Separately
- Buses and Fire-Fighting Vehicles
- Trailers
- Axles and Axle Suspension Assemblies
- Trucks / Buses / Rescue Vehicles (Purchased Chassis)
- Other Truck Equipment

Source: NTEA Research.

- Trucks, truck chassis and tractors is the largest segment and includes all chassis used for trucks, RVs / motorhomes, class 5-7 commercial buses, road tractors and commercial pickups / vans
- 2023 commercial truck and equipment sales are estimated to be ~\$169 billion, increasing ~10% over 2022 sales of ~\$153 billion due to strong pricing gains⁽¹⁾
- Commercial truck and equipment sales are expected to increase by ~7% to ~\$180 billion in 2024, with growth equally distributed across pricing and unit volume increases⁽¹⁾

Truck Classifications	Class 1	Class 2	Class 3	Class 4
	≤ 6,000 lbs.	6,001 – 10,000 lbs.	10,001 – 14,000 lbs.	14,001 – 16,000 lbs.
Trailer Classifications	Class 5	Class 6	Class 7	Class 8
	16,001 – 19,500 lbs.	19,501 – 26,000 lbs.	26,001 – 33,000 lbs.	≥ 33,001 lbs.

Trailer Classifications	Dry Vans	Refrig. Van Reefer	Flatbeds	Dump
Trailer Classifications	Lowbed	Liquid Tanks	Dry Tanks	Other

(1) Based on NTEA Research's January 2024 forecast update.

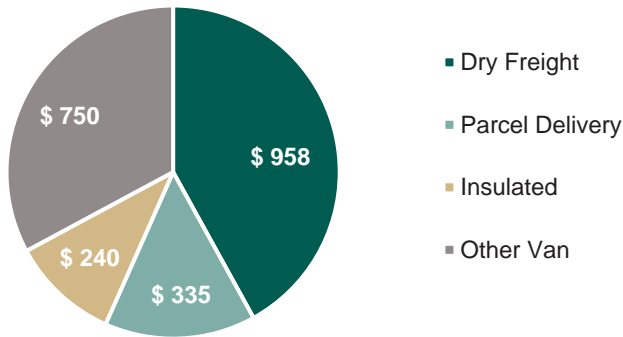


Commercial Vehicle & Equipment Summary (Cont'd)

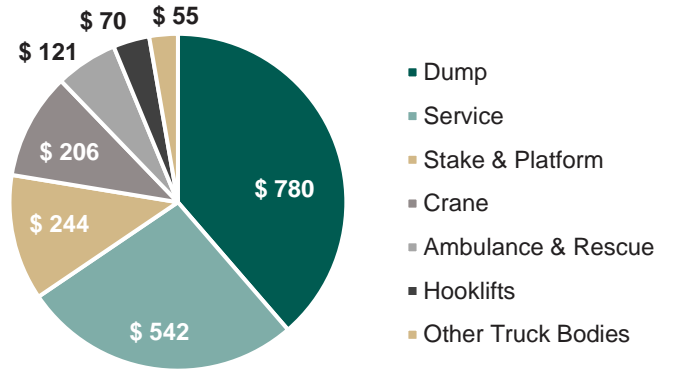
Commercial Vehicle Body Shipments by Type⁽¹⁾

(\$ in millions)

Van Bodies












Truck Bodies



Source: NTEA Research's latest available 2022 Annual Manufacturers' Shipment Survey Report.

- Commercial van bodies represent the largest body class in dollar value and include dry freight, parcel delivery and insulated van bodies. The slightly smaller commercial truck body segment is comprised of six primary body types (dump, service, stake & platform, crane, ambulance & rescue and hooklifts) and generally features higher unit volumes and lower average unit prices
- 2022 commercial van and truck body shipments are estimated to be ~\$2.3B and ~\$2.0B, representing a ~8% and ~6% CAGR between 2017 – 2022, respectively; growth in both categories was primarily driven by price increases, as unit volumes for both categories grew at a lower rate over the same period

	Dry Freight	Parcel Delivery	Insulated
Van Bodies	 5-Year CAGR: ~5%	 5-Year CAGR: 5%+	 5-Year CAGR: <5%
Truck Bodies	 5-Year CAGR: ~5%	 5-Year CAGR: 5%+	 5-Year CAGR: ~10%
	 5-Year CAGR: 10%+	 5-Year CAGR: Flat	 5-Year CAGR: 10%+

Note: 5-year CAGRs represent the 2017 – 2022 market value CAGR for each body type.

Sources: NTEA Research and D.A. Davidson investment banking.

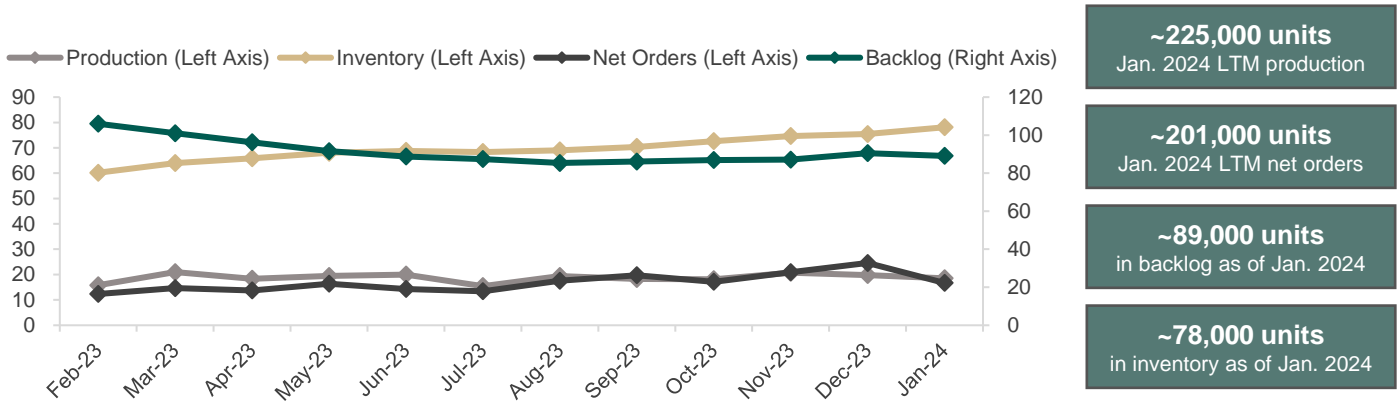
(1) Data based on a survey of ~40 industry participants.



Class 5-7 Commercial Vehicle Market Update

Class 5-7 Commercial Vehicle Performance Indicators

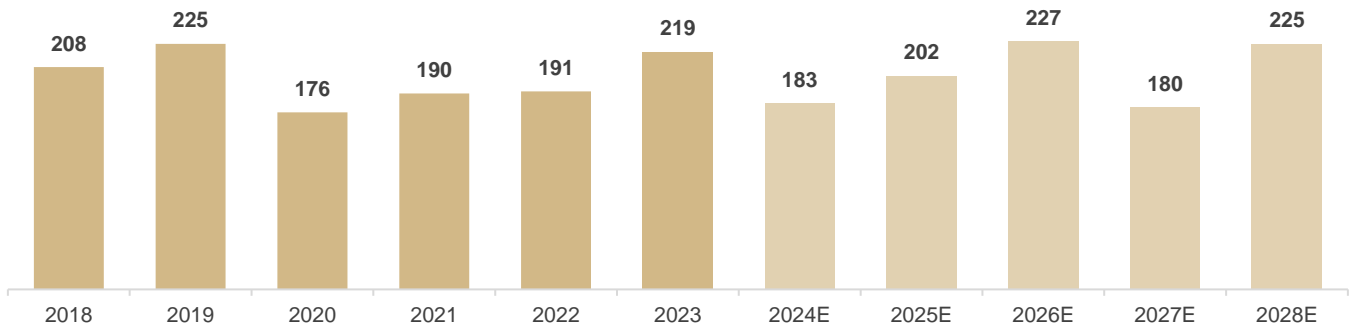
(units in thousands)



- Latest available January 2024 LTM class 5-7 commercial truck production increased ~20% to ~220,000 units compared to the prior year period; inventory increased ~35% as production outpaced net orders, which were up ~15% over the same period
- Latest available January 2024 LTM class 5-7 commercial van production decreased 25%+ to ~5,000 units compared to the prior year period; net orders decreased by ~55% to ~3,100 units over the same period
- OEMs and dealers noted material improvements in chassis availability throughout 2023 and expect conditions to continue to improve in 2024; labor and component availability continue to impact vehicle upfitting and completions

Class 5-7 Commercial Vehicle Production Forecast

(units in thousands)



- 2023 production finished ~13,000 units higher than ACT's September 2023 production forecast, driven by a ~20% YoY increase in production during 4Q2023
- Latest available February 2024 production forecast was revised from the September 2023 forecast to reflect production shifting into 2023, which drove a ~6,000 unit decrease in 2024; production forecast for 2025 – 2028 remained in-line (no-change) with the September 2023 forecast
- Production is expected to cool in 2024 as upfitters work through channel inventory to complete units, followed by growth in 2025 and 2026 driven by pre-buy activity ahead of the EPA's 2027 new emission standards; production is expected to quickly recover in 2028 following the dip in 2027 from the emission standards change

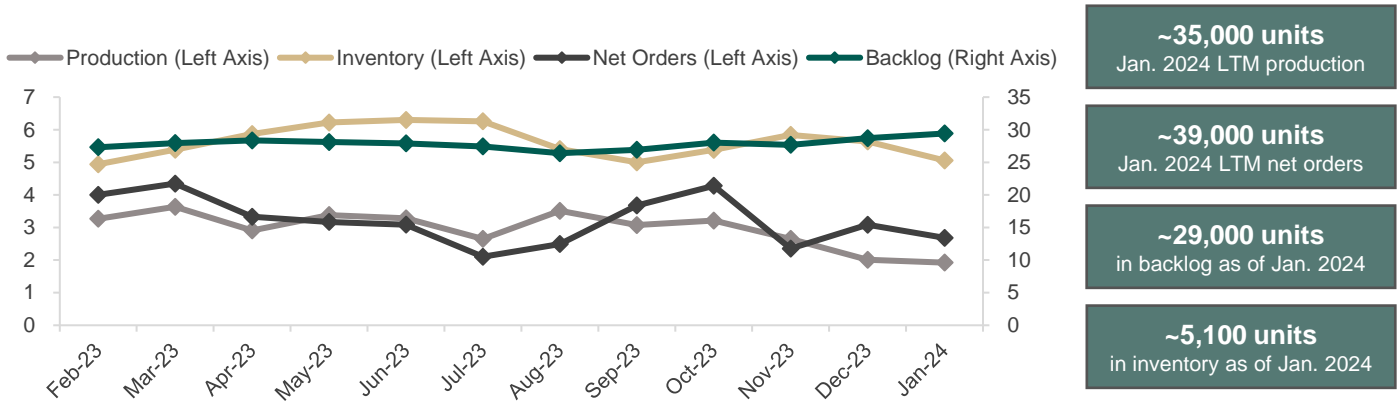
Note: Commercial vehicles include class 5-7 commercial trucks and vans.
Sources: ACT Research and D.A. Davidson investment banking.



Class 5-7 Commercial Bus Market Update

Class 5-7 Commercial Bus Performance Indicators

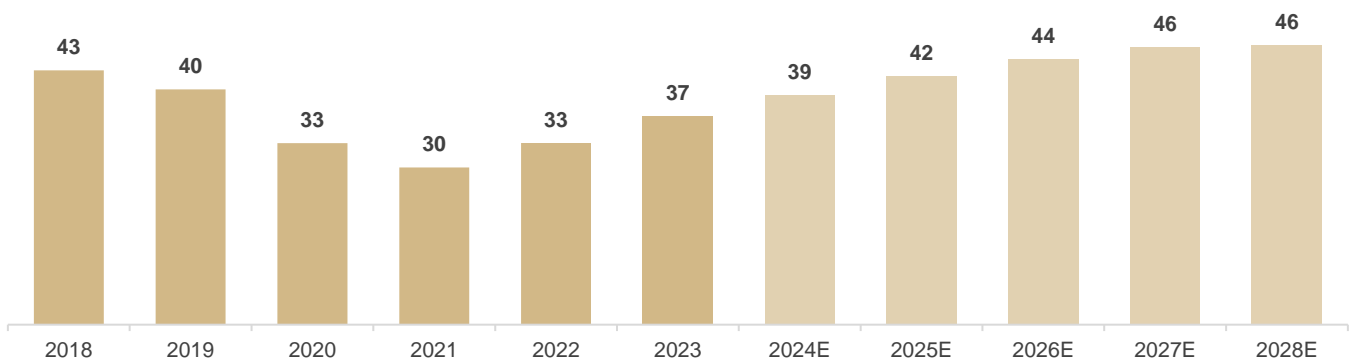
(units in thousands)



- Latest available January 2024 LTM class 5-7 commercial bus production increased ~5% to ~35,000 units over the prior year period; inventory as of January 2024 increased ~15% to ~5,100 units over January 2023 as production outpaced net orders, which were relatively flat over the January 2024 LTM period
- While underlying class 5-7 commercial bus demand has normalized over the past twelve months, production is expected to remain strong as OEMs work through elevated backlogs and balance channel inventory

Class 5-7 Commercial Bus Production Forecast

(units in thousands)



- 2023 production finished ~2,000 units lower than ACT's September 2023 production forecast due to lower-than-expected production in December 2023; latest available February 2024 production forecast for 2024 – 2028 remained in-line (no-change) with the September 2023 forecast
- Following a COVID-induced reduction in underlying demand in 2020, demand increased significantly in 2021 as end-users recognized the need to catch up with the replacement cycle of their fleets; production struggled to keep up in 2021 – 2022 due to supply chain issues and labor shortages
- Improving supply chain conditions allowed OEMs to catch up on production during 2023, supporting a ~10% unit increase; backlogs remain elevated despite increased production in 2023 and are expected to support strong growth over the next few years

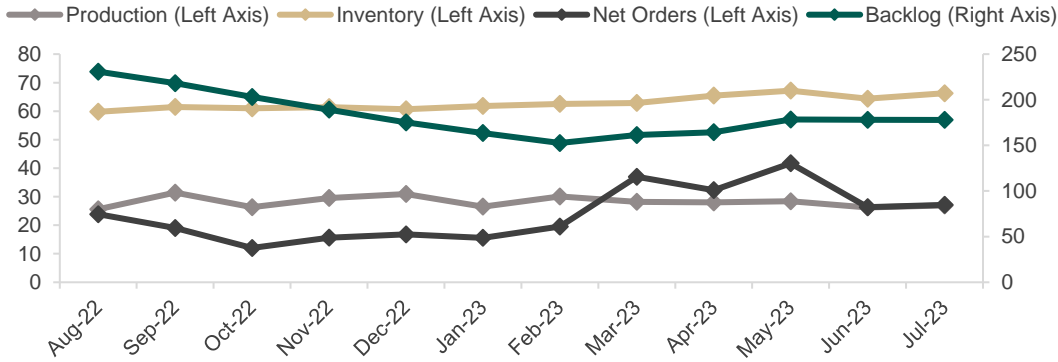
Sources: ACT Research and D.A. Davidson investment banking.



Class 8 Truck Market Update

Class 8 Truck Performance Indicators

(units in thousands)

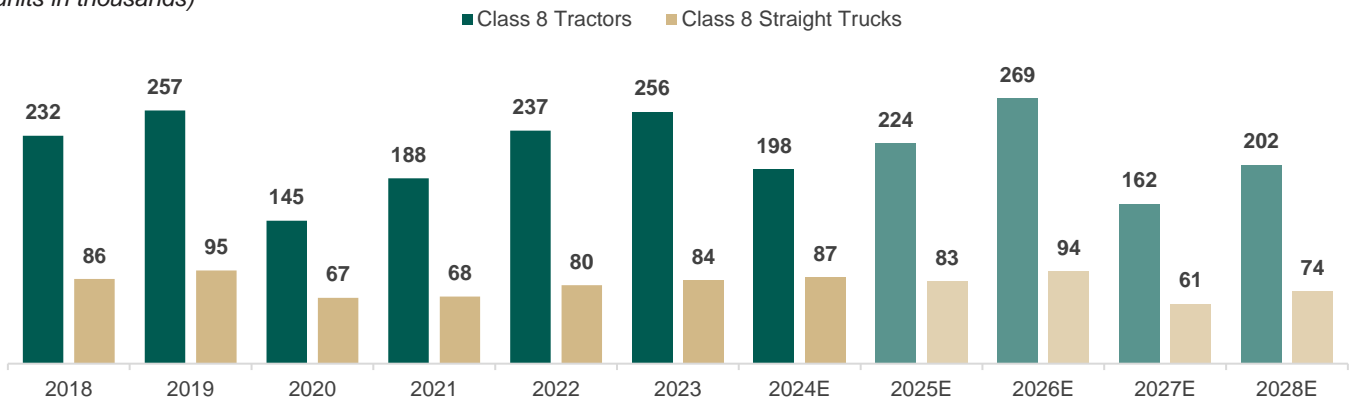


- ~338,000 units**
 Jan. 2024 LTM production
- ~287,000 units**
 Jan. 2024 LTM net orders
- ~178,000 units**
 in backlog as of Jan. 2024
- ~66,000 units**
 in inventory as of Jan. 2024

- Latest available January 2024 LTM class 8 tractor production increased by 5%+ to ~252,000 units over the prior year period; inventory increased by 10%+ as production outpaced net orders, which were down by 10%+ over the January 2024 LTM period
- Latest available January 2024 LTM class 8 straight truck production increased 5%+ to ~86,000 units over the prior year period; net order activity remained strong over this period, increasing by ~25%
- While there is still some pent-up demand for class 8 straight trucks, OEMs have largely worked through elevated class 8 tractor backlogs

Class 8 Truck Production Forecast

(units in thousands)



- 2023 total class 8 production finished ~3,000 units higher than ACT’s September 2023 production forecast due to higher-than-expected pre-buy activity ahead of the Advanced Clean Truck and Fleet regulations that went into effect in California on January 1, 2024
- Latest available February 2024 production forecast was revised lower from the September 2023 forecast in 2025 and 2026 by ~12,000 and ~17,000 units (respectively), reflecting lower anticipated pre-buy activity ahead of the EPA’s 2027 emission standards
- Total class 8 production is expected to moderate in 2024 as pent-up tractor demand subsides, followed by strong growth in 2025 – 2026 as fleets prepare for the EPA’s 2027 new emission standards; production is expected to recover in 2028 following the dip in 2027 from the emission standards change

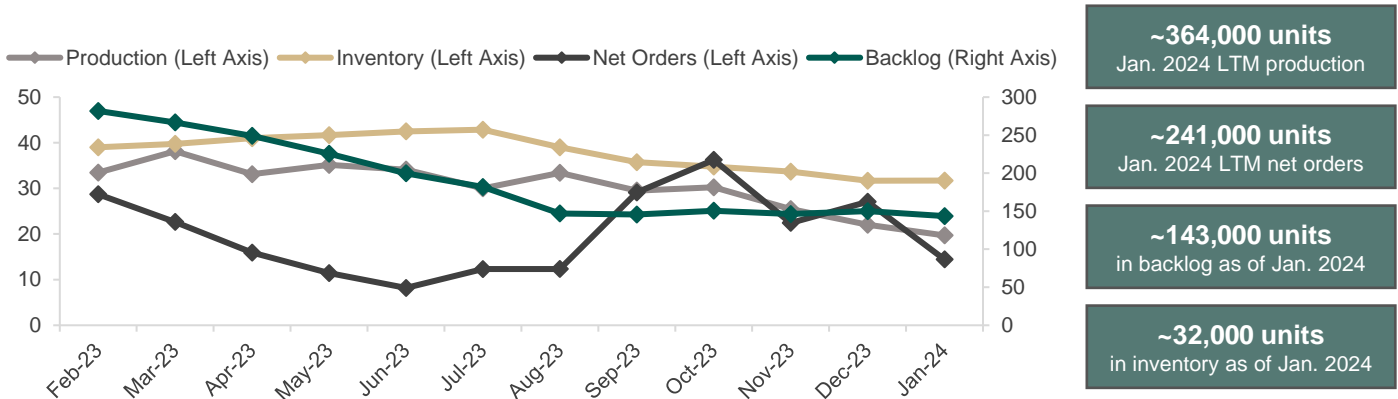
Sources: ACT Research and D.A. Davidson investment banking.



Commercial Trailer Market Update

Commercial Trailer Performance Indicators

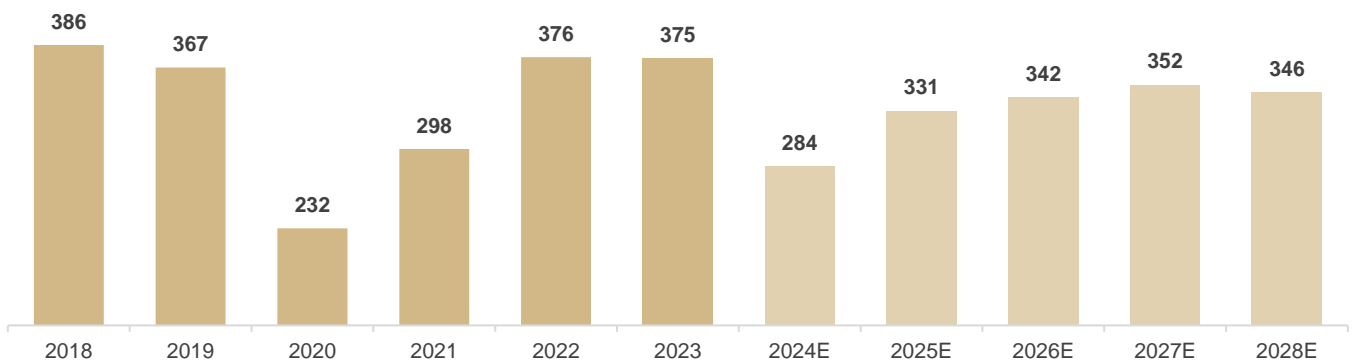
(units in thousands)



- Latest available U.S. commercial trailer production slipped during the January 2024 LTM period, decreasing ~5% to ~364,000 units over the prior year period; net orders decreased by ~45% from the prior year period due to lower gross orders and higher cancellations during the January 2024 LTM period
- Backlog as of January 2024 decreased ~50% from January 2023 as OEMs worked through pent-up demand throughout 2023; normalizing retail demand heading into 2024 is expected to temper production in the near-term

Commercial Trailer Production Forecast

(units in thousands)



- 2023 U.S. commercial trailer production was ~375,000 units, in-line with ACT’s September 2023 production forecast
- Latest available February 2024 production forecast was adjusted from the September 2023 forecast to reflect a lower-level of retail demand, driving a ~35,000, ~20,000 and ~13,000 unit decrease in 2024, 2025 and 2026, respectively; forecast for 2027 and 2028 decreased by ~2,000 units and increased by ~10,000 units, respectively
- U.S. commercial trailer production is expected to slip in 2024 as pent-up demand from 2021 – 2022 subsides, followed by a 15%+ unit recovery in 2025 and stable performance thereafter

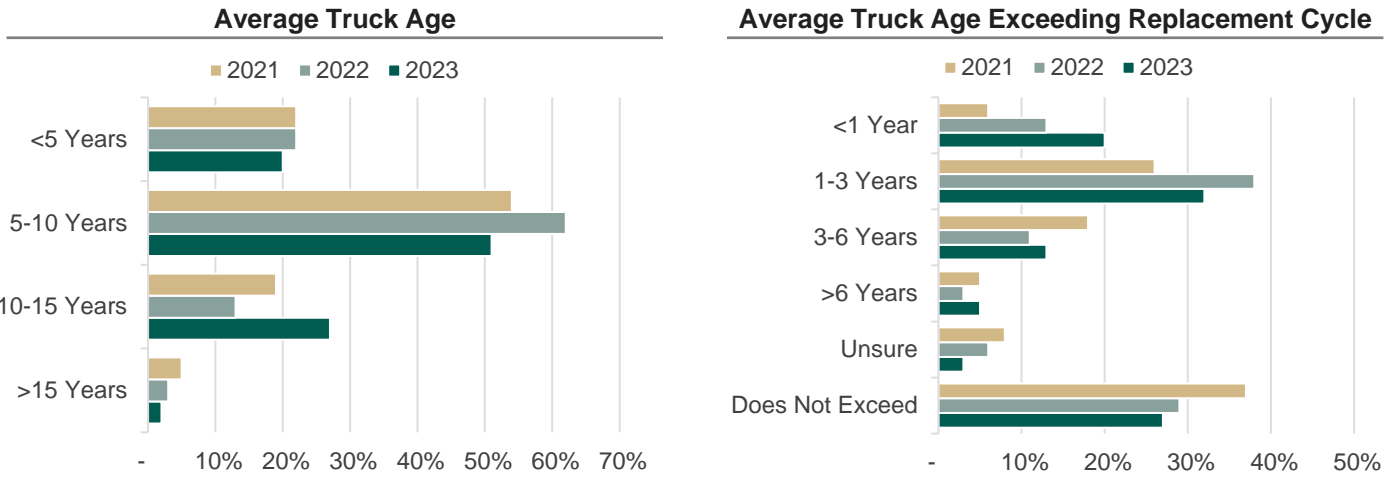
Sources: ACT Research and D.A. Davidson investment banking.



Commercial Vehicle Fleet Update

Commercial Vehicle Fleet Age

(proportion of survey respondents)

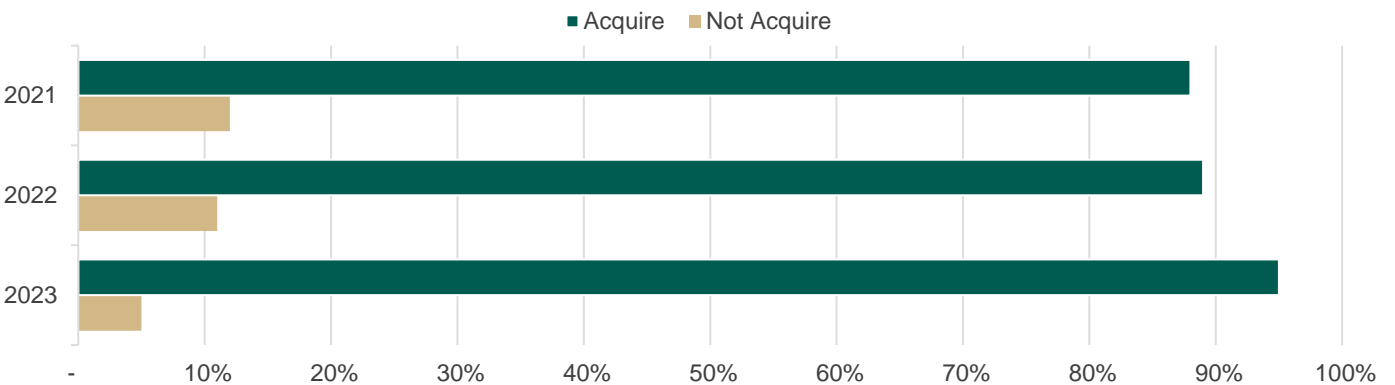


Source: NTEA Research's latest available 2023 Fleet Purchasing Outlook; new study expected in the near-term.

- Supply chain constraints continue to drive an increase in the average vehicle age of fleets. The proportion of fleets within the normal replacement age range (>10 years) increased to ~30% in 2023 (up from ~15% in 2022)
- ~70% of fleets indicated that their average commercial vehicle ages exceed normal replacement cycles, with more than 30% of fleets indicating that they are 1-3 years behind their typical replacement cycle

Commercial Fleet Procurement Intentions

(proportion of survey respondents)



Source: NTEA Research's latest available 2023 Fleet Purchasing Outlook; new study expected in the near-term.

- Fleets anticipate acquiring more commercial vehicles in 2023 compared to 2022 as they catch up with replacements cycles, supported by an improving supply chain environment
- Fleet investment is expected to be the highest in lighter vehicle classes (2-3), with heavier vehicle classes (4-8) showing lower anticipated investment than in 2022

Note: % based on latest available NTEA 2022 – 2023 Fleet Purchasing Outlook Survey responses; new study expected in the near-term.



Commercial Vehicle Fleet Update (Cont'd)

Davidson's Small & Midsize Truck Fleet Survey

- Every quarter, Davidson Research asks 70+ US-based small and midsize businesses who own at least two trucks about their plans for buying new trucks, lead times to obtain trucks, plans to buy electric trucks and other aspects of their business; a wide range of vehicles are represented, from pickup trucks to Class 8 units
- While larger vehicle upfitters generally obtain a large percentage of their business (especially final-mile delivery vans) from the large parcel fleets such as FedEx and UPS, or large retailers such as Amazon, small and midsize businesses provide real-time visibility into fleet purchase intentions

January 2024 Survey Results



Fleet Purchase Intentions

“Fleet capex intentions for the next 12 months remain stable and favorable”
–Davidson Research (1/29/2024)

- Over 50% of respondents indicated that they plan to increase spending by 3% or more over the next twelve months
- Of respondents that are planning to increase spending, over 30% indicated increased spending of 10% or more
- This is largely in-line with the results of the October 2023 survey, when over 50% of respondents noted plans of increasing spending



Chassis Delays

“Chassis delays seem to be easing, at last” –Davidson Research (1/29/2024)

- Over 50% of the fleets in the survey reported receiving their chassis on schedule, which is the first-time respondents have indicated that they are receiving their trucks on time rather than behind schedule
- Significantly fewer fleets indicated that they are missing out on business opportunities due to chassis delays (8% of respondents compared to 25% in the October 2023 survey)



Business Sentiment

“Business sentiment for 2024 improved from last quarter's already-solid numbers” –Davidson Research (1/29/2024)

- Over 70% of respondents indicated that they are feeling positive about the business outlook for 2024, up from ~60% in the October 2023 survey
- Only ~2% of respondents indicated that they have a negative outlook for 2024, down from ~20% in the October 2023 survey

Note: Complimentary Davidson Research reports referenced above are available upon request.



Rental Equipment Market Update

U.S. Rental Equipment Revenue & Near-Term Outlook

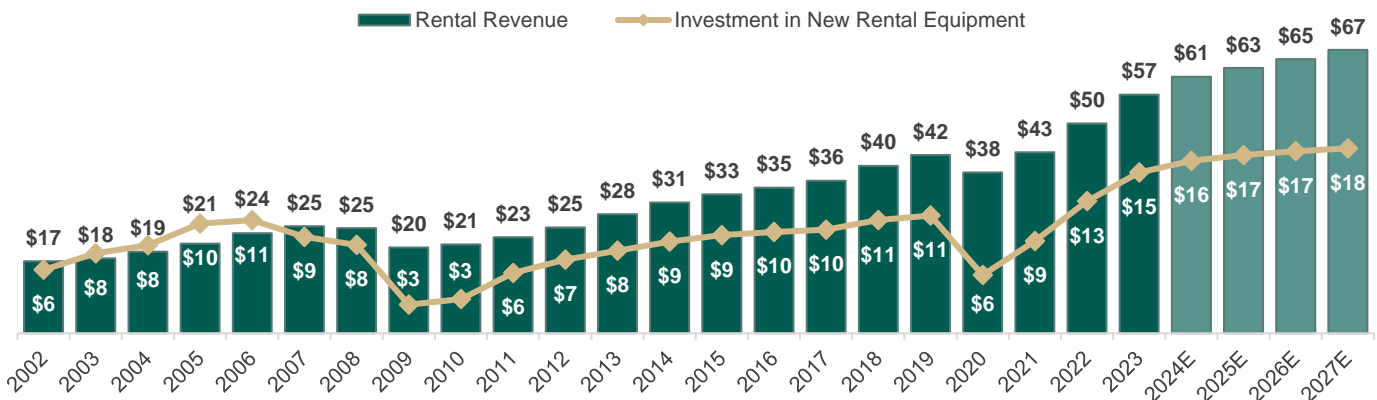
(\$ in billions)



- Latest available U.S. industrial and construction equipment rental revenue increased in 4Q2023, rising 10%+ over the prior year period; this was largely in-line with ARA’s August 2023 forecast for 4Q2023
- Equipment rental revenue reached ~\$57 billion for full-year 2023, representing a ~15% increase over the prior year; strong growth over the past several quarters was driven by a continued recovery in demand and new rental equipment investment following pandemic-driven lows experienced in 2020
- Revenue growth is expected to remain strong in 2024, albeit decelerating slightly to ~8% after three consecutive years of 10%+ annual revenue growth

Long-Term U.S. Rental Equipment Revenue & Investment Trends

(\$ in billions)



- Latest available February 2024 rental revenue forecast was revised from ARA’s August 2023 forecast to reflect stronger growth in 2024, largely driven by a balanced mix of higher forecasted unit volume and pricing; rental revenue is now expected to grow by ~8% (up from ~5%), with investment largely in-line with the prior forecast at ~7% (up from ~6%) in 2024
- Investment in new rental equipment is expected to normalize in 2025 – 2027 as rental fleets will have largely caught up with their replacement cycles following strong growth in 2021 – 2024
- Following similar trends as new rental equipment investment, rental revenue growth is expected to decelerate into the low single digits after 2024

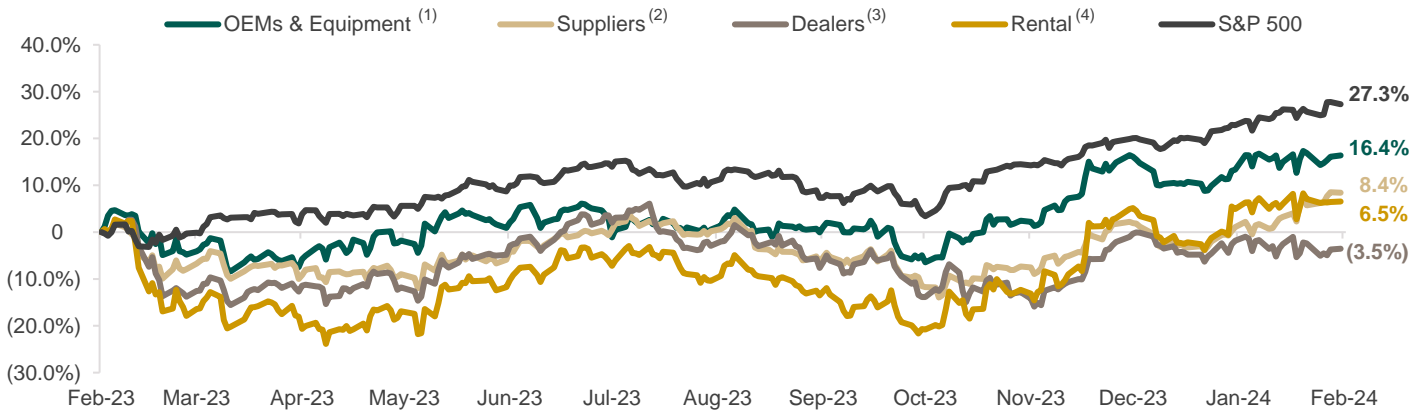
Note: Data includes rental revenue and investment associated with construction (e.g. loaders, excavators, dump trucks, access equipment, etc.) and industrial (e.g. transportation, machinery, etc.) equipment, and was recently updated to include specialty rental equipment.
Sources: American Rental Association and D.A. Davidson investment banking.



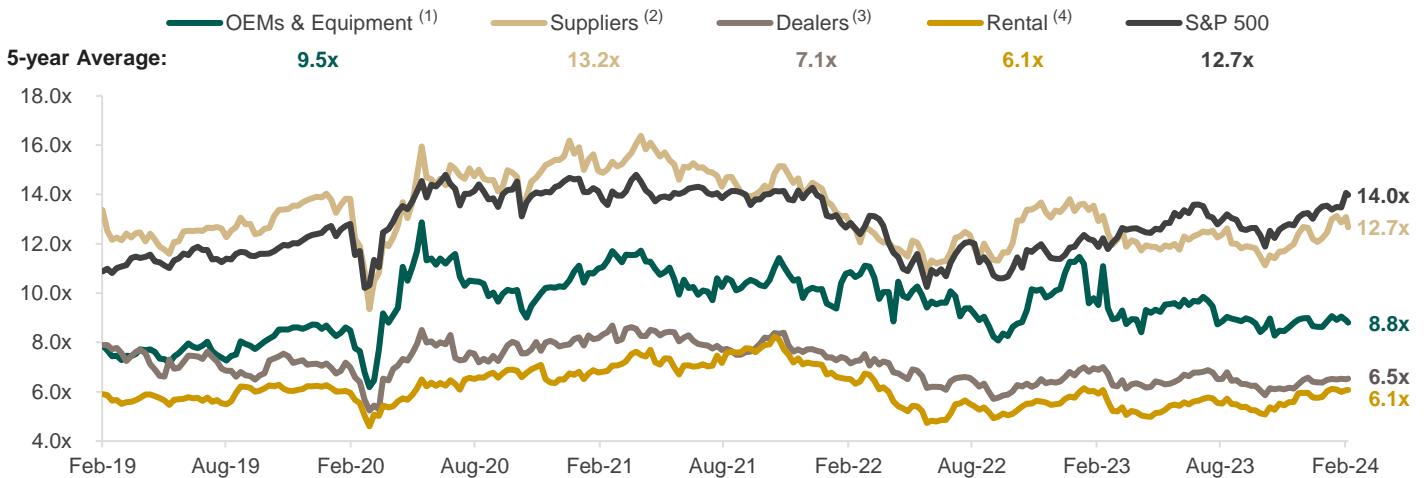
Specialty Vehicle – OEMs & Equipment, Suppliers, Dealers and Rental Trading Update

- Most specialty vehicle indices have grown along with the broader market over the past twelve months, except for the Dealers index which underperformed compared to the other sectors
- Suppliers index typically trades at a multiple premium to the broader market, but has recently traded lower; OEMs & Equipment, Dealers and Rental indices continue to trade below the broader market
- Specialty vehicle indices are currently trading modestly below their 5-year EV/NTM EBITDA multiple averages, except for the Rental index which is trading near its 5-year average

Stock Price Performance



EV / NTM EBITDA Multiples



Sources: D.A. Davidson investment banking and CapitalIQ as of February 26, 2024.

Note: Enterprise value ("EV") excludes floor plan financing.

(1) Includes Alamo Group Inc., Blue Bird Corporation, Federal Signal Corporation, The Manitowoc Company, Inc., Miller Industries, Inc., NFI Group Inc., Oshkosh Corporation, Palfinger AG, REV Group Inc., Rosenbauer International AG, The Shyft Group Inc. and Wabash National Corporation.

(2) Includes Allison Transmission, Douglas Dynamics, Inc., IDEX Corporation, The Toro Company and Wabtec Corporation.

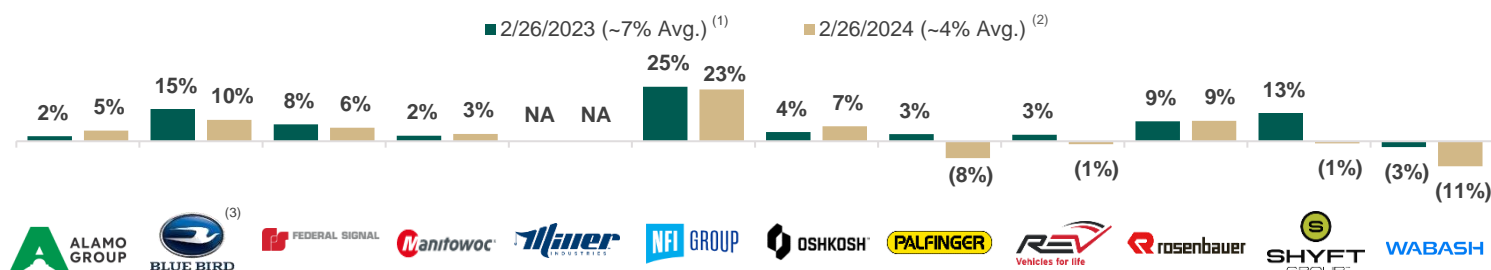
(3) Includes Alta Equipment Group, Finning International, Rush Enterprises, Titan Machinery, Toromont Industries and Wajax Corporation.

(4) Includes Ashtead Group plc, Custom Truck One Source, Inc., H&E Equipment Services, Inc., Herc Holdings, Inc., Ryder Systems, Inc., U-Haul and United Rentals, Inc.

Specialty Vehicle – OEMs and Equipment Valuation and Operating Metrics

- CY 2024 outlook for specialty vehicle OEMs and equipment companies has slipped as revenue growth estimates for companies in this sub-sector are now ~4%, on average (~6% excluding Shyft and Wabash)
 - Outlook is mixed, with many manufacturers remaining near their prior year 2024 growth estimates; manufacturers with exposure to step vans (Shyft) and trailers (Wabash) have seen meaningful reductions in their growth outlooks due to reduced production expectations in these sub-segments
- 2024P EV/EBITDA multiples are currently trending modestly below the 5-year EV/NTM EBITDA average of 9.5x for this sub-sector

CY2024 Revenue Growth Estimates



Valuation Statistics

Comparable Companies	Share Price	As % of		Market Cap	Enterprise Value (EV)	EV/EBITDA		EV/EBIT		Dividend Yield
		LTM High	High			2024P	2025P	2024P	2025P	
Alamo Group Inc.	\$ 199.35	86.1%		\$ 2,395.2	\$ 2,578.6	9.9x	9.2x	12.3x	11.2x	0.5%
Blue Bird Corporation	32.28	95.1%		1,039.4	1,098.2	9.0	NA	11.5	NA	NA
Federal Signal Corporation	82.11	98.7%		5,002.9	5,240.9	16.4	15.3	20.5	18.7	0.5%
The Manitowoc Company, Inc.	13.33	66.0%		467.8	805.5	4.9	4.5	8.1	7.1	NA
Miller Industries, Inc.	44.18	98.9%		505.7	538.8	NA	NA	NA	NA	1.6%
NFI Group Inc.	9.17	85.2%		1,091.3	2,185.1	8.8	6.1	13.6	8.0	NA
Oshkosh Corporation	109.08	94.3%		7,135.3	7,782.4	6.6	6.3	7.9	7.6	1.7%
Palfinger AG	26.63	74.7%		925.9	1,760.1	6.3	5.5	9.9	8.2	3.1%
REV Group, Inc.	19.62	94.9%		1,173.3	1,302.0	7.4	6.0	9.1	NA	1.0%
Rosenbauer International AG	33.09	86.9%		225.0	741.2	7.2	6.7	10.8	9.8	NA
The Shyft Group, Inc.	10.44	38.2%		358.2	433.1	10.5	6.8	NM	11.5	1.9%
Wabash National Corporation	26.93	93.5%		1,214.2	1,432.0	6.6	6.1	9.3	8.0	1.2%
Mean		84.4%		\$ 1,794.5	\$ 2,158.2	8.5x	7.2x	11.3x	10.0x	1.4%
Median		90.2%		1,065.3	1,367.0	7.4	6.2	10.4	8.2	1.4%

Operating Statistics

Comparable Companies	Latest Period	LTM Revenue	LTM Gross Margin	LTM EBITDA Margin	Revenue CAGR		EBITDA CAGR		Net Debt / LTM EBITDA
					'21-'23	'23-'25	'21-'23	'23-'25	
Alamo Group Inc.	12/31/2023	\$ 1,689.7	26.8%	14.6%	12.5%	4.7%	23.4%	7.0%	0.7x
Blue Bird Corporation	12/30/2023	1,214.7	16.0%	10.0%	33.4%	NA	95.2%	NA	0.5
Federal Signal Corporation	12/31/2023	1,722.7	26.1%	16.6%	19.2%	6.1%	25.9%	9.7%	0.8
The Manitowoc Company, Inc.	12/31/2023	2,227.8	19.1%	7.6%	13.8%	2.9%	33.7%	2.7%	2.0
Miller Industries, Inc.	9/30/2023	1,083.0	12.8%	7.5%	NA	NA	NA	NA	0.4
NFI Group Inc.	10/1/2023	2,576.2	6.1%	NM	8.7%	20.3%	(40.9%)	149.5%	NM
Oshkosh Corporation	12/31/2023	9,657.9	17.4%	10.2%	10.2%	4.0%	31.2%	11.7%	0.7
Palfinger AG	9/30/2023	2,587.0	25.0%	10.4%	12.6%	(0.9%)	23.4%	(2.5%)	2.9
REV Group, Inc.	10/31/2023	2,638.0	12.0%	4.7%	5.6%	2.7%	17.1%	17.4%	1.0
Rosenbauer International AG	9/30/2023	1,095.1	15.7%	4.5%	3.6%	7.2%	10.2%	21.8%	NM
The Shyft Group, Inc.	12/31/2023	872.2	17.2%	2.7%	(6.2%)	3.8%	(50.2%)	64.5%	3.2
Wabash National Corporation	12/31/2023	2,536.5	19.6%	14.1%	18.6%	(4.6%)	81.7%	(18.9%)	0.6
Mean		\$ 2,491.7	17.8%	9.4%	12.0%	4.6%	22.8%	26.3%	1.3x
Median		1,975.3	17.3%	10.0%	12.5%	3.9%	23.4%	10.7%	0.8

Sources: D.A. Davidson research, D.A. Davidson investment banking and CapitalIQ as of February 26, 2024. Represents consensus estimates as of February 26, 2024. Future estimates may be subsequently updated. Note: All figures shown in USD at historical exchange rates.

(1) Revenue growth estimates use consensus estimates as of February 26, 2023.

(2) Revenue growth estimates use consensus estimates as of February 26, 2024.

(3) Reflect fiscal year growth estimates as calendar year metrics as of February 26, 2023 were unavailable

Specialty Vehicle – Selected OEMs and Equipment Commentary



- **“Improving chassis supply is a significant tailwind that underscores strong growth for Industrial in 2024. ALG noted that “hundreds” more truck chassis will be received in 2024 than in 2023, most of which will end up in products for the Industrial segment –Davidson Research (2/26/2024)**
- Announced FY 2023 results; net sales of \$1.7B and adj. EBITDA of \$247M increased by 12% and 26% from the prior year period, respectively –Press Release (2/22/2024)



BLUE BIRD

- **“The company noted that its two main competitors have exited gasoline and propane, leaving BLBD as the only game in town for those products. In addition, we believe at least one of BLBD’s two large competitors is facing trouble with its battery suppliers” –Davidson Research (2/8/2024)**
- Announced FY 1Q2024 results; net sales of \$318M and adj. EBITDA of \$48M increased by 35% and \$51M from the prior year period, respectively –Press Release (2/7/2024)



- **“FSS also noted that Infrastructure Bill funds have barely begun to flow to local projects and budgets, suggesting additional growth from here. Core Class 8 chassis supply has improved considerably as well, while the less-important Class 5 category continues to lag” –Davidson Research (2/27/2024)**
- Announced FY 2023 results; net sales of \$1.7B and adj. EBITDA of \$286M increased by 20% and 33% from the prior year period, respectively –Press Release (2/27/2024)



- **“Entering 2023, we expected the year to look a lot like 2022, and overall, it was much better. As we enter 2024, we anticipate global demand for mobile cranes to be strong” –Aaron Ravenscroft (President, CEO & Director), Investor Transcript (2/15/2024)**
- Announced FY 2023 results; net sales of \$2.2B and adj. EBITDA of \$175M increased by 10% and 23% from the prior year period, respectively –Press Release (2/14/2024)



- Announced that its subsidiary, Alexander Dennis, has completed the Zemo Partnership’s zero-emission bus testing and certification program for its next-generation Enviro400EV electric double decker bus –Press Release (2/26/2024)
- Announced FY 3Q2023 results; revenue of \$710M and deliveries of 1,051 units increased by 38% and 34% from the prior year period, respectively –Press Release (11/8/2023)



- **“OSK noted that JLG demand is strong (customers have started planning 2025 already, and some are ordering), and the company will be adding \$1B of capacity to help with current bottlenecks and future growth. With 2023 revenues of \$5B, this implies there may be 20% left to go in the current up-cycle at the very least” –Davidson Research (3/1/2024)**
- Announced FY 2023 results; net sales of \$9.7B and adj. operating income of \$909M increased by 17% and 130% from the prior year period, respectively –Press Release (1/30/2024)



- **“Net/net, the company will be receiving \$250M+ of cash, and only losing ~\$5M of annualized EBITDA in the process [divestiture of Collins and wind down of ENC Bus]. Investors will receive a \$3/share special dividend, and REVG will have cash left over to pay down some debt. We view this as yet another win for CEO Mark Skonieczny, who continues to evolve REVG into a more-focused and better-performing organization” –Davidson Research (1/30/2024)**
- Announced the divestiture of its school bus business, Collins Bus, to Forest River for \$300M+ –Press Release (1/29/2024)



- **“The company upfitted over 1,000 EVs in 2023 (models such as the Ford e-Transit, as well as some Step Vans). While not the fully-integrated vehicle like Blue Arc, it’s a natural extension of SHYF’s core business. We got the sense that the company will be able to follow its upfitting customers into EVs, whatever the shape of the adoption curve may be” –Davidson Research (2/26/2024)**
- Announced FY 2023 results; net sales of \$872M and adj. EBITDA of \$40M decreased by 15% and 44% from the prior year period, respectively –Press Release (2/22/2024)



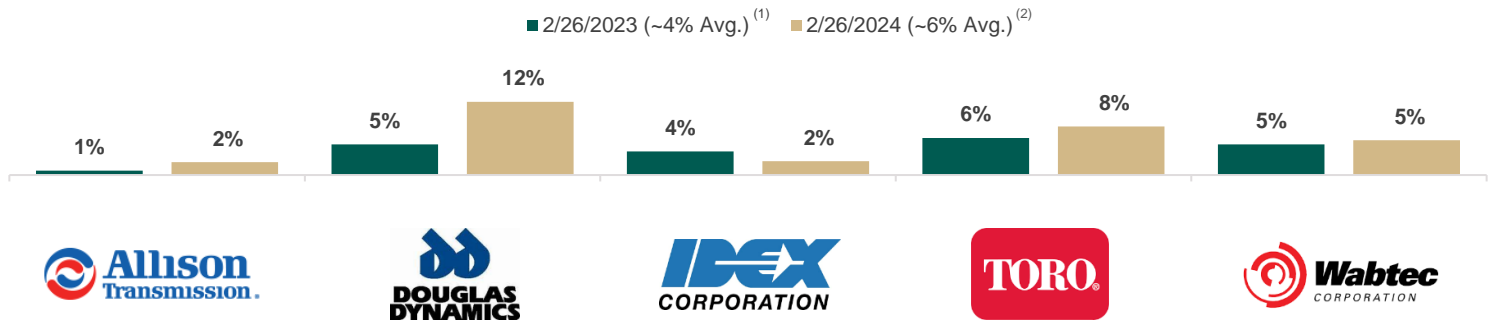
- **“We recognize that dry-van trailers are WNC’s core business, but we also discussed the company’s other areas of growth on our call-back. We got the sense that Parts has a multi-year tailwind, for example, and WNC continues to see growth in truck bodies, reefers, and other areas. Taken together, we believe that even if WNC’s trailer business is flattish, earnings could still grow over 20% in 2025” –Davidson Research (2/7/2024)**
- Announced FY 2023 results; net sales of \$2.5B and adj. EBITDA of \$369M increased 1% and 65% from the prior year period, respectively –Press Release (2/1/2024)

Note: Complimentary Davidson Research reports referenced above are available upon request.

Specialty Vehicle – Suppliers Valuation and Operating Metrics

- CY 2024 outlook for specialty vehicle suppliers has slightly improved from the prior year as revenue growth estimates for companies in this sub-sector are now ~6%, on average
- 2024P EV/EBITDA multiples for suppliers are currently trending modestly below the 5-year EV/NTM EBITDA average of 13.2x for this sub-sector
- Most suppliers have noted improvements in component availability and lead times heading into 2024, which should support growth as upfitters work through a more balanced inventory channel to complete vehicles

CY2024 Revenue Growth Estimates



Valuation Statistics

Comparable Companies	Share Price	As % of		Market Cap	Enterprise Value (EV)	EV/EBITDA		EV/EBIT		Dividend Yield
		LTM High	Market Cap			2024P	2025P	2024P	2025P	
Allison Transmission	\$ 74.83	99.5%	\$ 6,526.2	\$ 8,467.2	7.7x	7.3x	8.9x	8.5x	1.2%	
Douglas Dynamics, Inc.	24.24	62.8%	557.1	770.4	8.1	6.9	12.1	9.7	4.9%	
IDEX Corporation	236.06	99.5%	17,856.7	18,643.5	20.0	18.4	24.3	22.0	1.1%	
The Toro Company	92.70	79.1%	9,677.7	10,516.1	13.6	13.2	16.9	16.0	1.5%	
Wabtec Corporation	137.68	99.1%	24,373.3	27,854.3	13.5	12.6	15.4	14.2	0.6%	
Mean		88.0%	\$ 11,798.2	\$ 13,250.3	12.6x	11.7x	15.5x	14.1x	1.9%	
Median		99.1%	9,677.7	10,516.1	13.5	12.6	15.4	14.2	1.2%	

Operating Statistics

Comparable Companies	Latest Period	LTM Revenue	LTM Gross Margin	LTM EBITDA Margin	Revenue CAGR		EBITDA CAGR		Net Debt / LTM EBITDA
					'21-'23	'23-'25	'21-'23	'23-'25	
Allison Transmission	12/31/2023	\$ 3,035.0	48.4%	35.6%	12.4%	3.3%	14.3%	3.3%	1.8x
Douglas Dynamics, Inc.	12/31/2023	568.2	23.6%	11.7%	2.4%	10.1%	(4.3%)	29.1%	3.2
IDEX Corporation	12/31/2023	3,273.9	44.2%	27.7%	8.8%	3.7%	9.4%	5.8%	0.9
The Toro Company	10/31/2023	4,553.2	34.7%	15.8%	4.7%	5.3%	7.7%	8.7%	1.2
Wabtec Corporation	12/31/2023	9,677.0	30.8%	18.9%	11.2%	NA	16.6%	9.9%	1.9
Mean		\$ 4,221.5	36.4%	22.0%	7.9%	5.6%	8.7%	11.3%	1.8x
Median		3,273.9	34.7%	18.9%	8.8%	4.5%	9.4%	8.7%	1.8

Sources: D.A. Davidson research, D.A. Davidson investment banking and CapitalIQ as of February 26, 2024. Represents consensus estimates as of February 26, 2024. Future estimates may be subsequently updated. Note: All figures shown in USD at historical exchange rates.

(1) Revenue growth estimates use consensus estimates as of February 26, 2023.

(2) Revenue growth estimates use consensus estimates as of February 26, 2024.



Specialty Vehicle – Selected Suppliers Commentary



- “The 2024 outlook for our North America On-Highway end market remains robust as infrastructure spending is expected to continue to support Class 8 vocational demand” –*David Graziosi (President & CEO), Investor Transcript (2/13/2024)*
- Announced FY 2023 results; net sales of \$3.0B and adj. EBITDA of \$1.1B increased by 10% and 15% from the prior year period, respectively –*Press Release (2/13/2024)*



- **“PLOW was unable to say whether key chassis OEMs like Ford will return supply back to normal in 2024. What management did tell us was that after nearly two years of reduced supply, the company has adapted and is working much better within the constraints that have been presented”** –*Davidson Research (2/28/2024)*
- Announced FY 2023 results; net sales of \$568M and adj. EBITDA of \$68M decreased 8% and 22% from the prior year period, respectively –*Press Release (2/26/2024)*



- **“Overall, most of IEX’s end markets remain stable or otherwise growing, tempered by ongoing destocking within agriculture and life sciences/analytical instrumentation, with headwind also expected due to timing of dispensing replenishment programs within the U.S. that benefited FSDP over the course of 2023”** –*Davidson Research (2/7/2024)*
- Announced FY 2023 results; net sales of \$3.3B and adj. EBITDA of \$900M increased by 3% and 2% over the prior year period, respectively –*Press Release (2/7/2024)*



- **“A potential light at the end of the tunnel for consumer and professional landscaping equipment and a reasonable mix of strong and challenged end-markets supported the stock yesterday (up 9%). Among the stronger end markets: construction and golf, again”** –*Davidson Research (12/21/2023)*
- Announced FY 2023 results; net sales of \$4.6B increased by 1% from the prior year period –*Press Release (12/20/2023)*



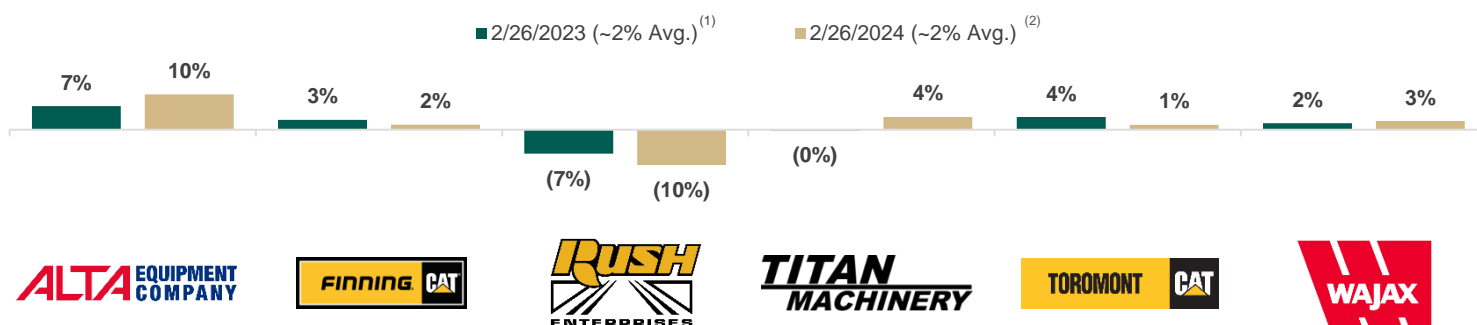
- “Looking at the North American railcar build, demand for new railcars showed growth in 2023 at approximately 45,000 cars. The industry outlook for 2024 is for about 38,000 cars to be delivered. Internationally, activity is strong across core markets such as Latin America, Australia, Africa and Kazakhstan” –*Rafael Santana (CEO, President & Director), Investor Transcript (2/14/2024)*
- Announced FY 2023 results; net sales of \$9.7B and adj. EBITDA of \$1.8B increased by 16% and 18% over the prior year period, respectively –*Press Release (2/14/2024)*

Note: Complimentary Davidson Research reports referenced above are available upon request.

Specialty Vehicle – Dealers Valuation and Operating Metrics

- CY 2024 outlook for specialty vehicle dealers is in-line with the prior year as revenue growth estimates for companies in this sub-sector remain at ~2%, on average
 - Retail sales expectations for 2024 have remained stable for most vehicle classes over the past twelve months; Rush's class 8 tractor exposure is driving a negative growth outlook compared to other specialty vehicle dealers
- 2024P EV/EBITDA multiples are currently trending modestly below the 5-year EV/NTM EBITDA average of 7.1x for this sub-sector

CY2024 Revenue Growth Estimates



Valuation Statistics

Comparable Companies	Share Price	As % of		Enterprise Value (EV)	EV/EBITDA		EV/EBIT		Dividend Yield
		LTM High	Market Cap		2024P	2025P	2024P	2025P	
Alta Equipment Group	\$ 11.94	58.0%	\$ 386.5	\$ 1,043.3	5.1x	5.3x	17.1x	21.0x	1.9%
Finning International	25.44	74.3%	3,663.8	5,583.3	5.8	5.7	8.1	7.9	2.9%
Rush Enterprises	49.55	93.3%	3,704.6	4,088.2	7.2	6.6	11.5	10.0	NA
Titan Machinery	25.50	53.3%	575.5	604.7	3.5	3.3	4.1	4.3	NA
Toromont Industries	94.09	99.6%	7,744.5	7,472.9	11.3	10.9	14.2	13.6	1.5%
Wajax Corporation	24.62	99.6%	533.5	921.4	6.1	6.3	8.7	8.9	4.0%
Mean		79.7%	\$ 2,768.1	\$ 3,285.6	6.5x	6.3x	10.6x	10.9x	2.6%
Median		83.8%	2,119.6	2,565.7	5.9	6.0	10.1	9.5	2.4%

Operating Statistics

Comparable Companies	Latest Period	LTM Revenue	LTM Gross Margin	LTM EBITDA Margin	Revenue CAGR		EBITDA CAGR		Net Debt / LTM EBITDA
					'21-'23	'23-'25	'21-'23	'23-'25	
Alta Equipment Group	9/30/2023	\$ 1,783.9	27.2%	9.4%	23.1%	7.8%	32.6%	2.2%	3.9x
Finning International	12/31/2023	6,931.0	28.1%	13.0%	15.6%	2.2%	24.8%	4.0%	2.1
Rush Enterprises	12/31/2023	7,925.0	20.2%	9.2%	24.3%	(2.1%)	23.9%	(8.1%)	0.5
Titan Machinery	10/31/2023	2,489.3	20.1%	7.4%	24.3%	3.8%	26.6%	(0.3%)	0.2
Toromont Industries	12/31/2023	3,500.1	26.9%	19.0%	6.8%	2.7%	15.7%	1.6%	NM
Wajax Corporation	9/30/2023	1,591.8	20.1%	7.1%	12.3%	NA	40.4%	(1.4%)	3.4
Mean		\$ 4,036.9	23.8%	10.8%	17.7%	2.9%	27.3%	(0.3%)	2.0x
Median		2,994.7	23.6%	9.3%	19.4%	2.7%	25.7%	0.7%	2.1

Sources: D.A. Davidson research, D.A. Davidson investment banking and CapitalIQ as of February 26, 2024. Represents consensus estimates as of February 26, 2024. Future estimates may be subsequently updated. Note: Debt excludes floorplan financing. All figures shown in USD at historical exchange rates.

(1) Revenue growth estimates use consensus estimates as of February 26, 2023.

(2) Revenue growth estimates use consensus estimates as of February 26, 2024.



Specialty Vehicle – Selected Dealers Commentary



- **“From an end market demand perspective, demand appears to be quite strong and broad-based, noting the backdrop for the Construction Equipment segment looks solid, underpinned by increasing DOT budgets, federal stimulus/ funding (Infrastructure Bill/CHIPS Act), reshoring, and population growth in certain U.S. regions” –Davidson Research (12/15/2023)**
- Announced FY 3Q2023 results; net sales of \$466M and adj. EBITDA of \$51M both increased 15%+ over the prior year period –*Press Release (11/8/2023)*



- **“We expect the post-pandemic growth to moderate but remain positive, driven by constructive commodity prices, improving supply chain and market share opportunities. We are entering 2024 with a healthy equipment backlog and our workshops are busy” –Kevin Parkes (President & CEO), Investor Transcript (2/7/2024)**
- Announced FY 2023 results; net sales of CAD \$10.5B and adj. EBITDA of CAD \$1.3B increased by 13% and 20% over the prior year period, respectively –*Press Release (2/6/2024)*



- **“Throughout 2023, there was pent-up demand for new commercial vehicles due to limited new truck production over the past few years. With respect to new Class 8 trucks, that pent-up demand was largely fulfilled by the end of 2023. With respect to the Class 4-7 commercial vehicles, demand remains solid” –W.M. Rush (President & CEO), Investor Transcript (2/13/2024)**
- Announced FY 2023 results; net sales of \$7.9B and adj. EBITDA of \$519M increased by 12% and decreased by 9% from the prior year period, respectively –*Press Release (2/14/2024)*



- **“General construction activity across our footprint remains at healthy levels. In infrastructure, energy and agriculture activity continue to support demand for construction equipment. Looking ahead to the fourth quarter, we expect the timing dynamic I mentioned to be a tailwind for us and result in year-over-year growth on a same-store basis and finish this fiscal year at a high note for our Construction segment” –David Meyer (CEO), Investor Transcript (11/30/2023)**
- Announced FY 3Q2024 results; net sales of \$694M and EBITDA of \$50M increased by 4% and decreased by 21% over the prior year period, respectively –*Press Release (11/30/2023)*



- **“Rental and product support revenue increased on higher customer activity, utilization of the larger fleet and improving execution. Year end backlog was healthy and relatively unchanged for the year. Year-over-year at \$1.2 billion and reflects strong 2023 order activity. Equipment inflow through the supply chain continues to generally improve” –Mike McMillan (President & CEO), Investor Transcript (2/14/2024)**
- Announced FY 2023 results; net sales of CAD \$4.6B and operating income of CAD \$704M increased by 12% and 14% from the prior year period, respectively –*Press Release (2/13/2024)*



- **“After the first 9 months of 2023, we continue to see solid fundamentals in many of the markets we serve, particularly mining, energy and construction, supported by relatively elevated key commodity prices and sustained customer budgeting for capital projects. We expect growth in our heavy equipment categories and anticipate further strong demand in our less cyclical industrial parts and ERS categories” –Iggy Domagalski (President & CEO), Investor Transcript (11/6/2023)**
- Announced FY 3Q2023 results; net sales of CAD \$510M and adj. EBITDA of CAD \$50M increased by 8% and 28% from the prior year period, respectively –*Press Release (11/6/2023)*

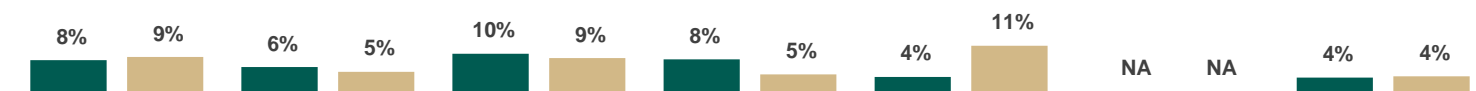
Note: Complimentary Davidson Research reports referenced above are available upon request.

Specialty Vehicle – Rental Valuation and Operating Metrics

- CY 2024 outlook for specialty vehicle rental companies is in-line with the prior year as revenue growth estimates for companies in this sub-sector remain at ~7%, on average
- 2024P EV/EBITDA multiples are currently trending modestly below the 5-year EV/NTM EBITDA average of 6.1x for this sub-sector
- While leasing demand is expected to moderate from the elevated levels experienced in 2021 – 2023, end markets remain supportive of revenue growth outlooks

CY2024 Revenue Growth Estimates

■ 2/26/2023 (~7% Avg.)⁽¹⁾ ■ 2/26/2024 (~7% Avg.)⁽²⁾



Valuation Statistics

Comparable Companies	Share Price	As % of		Enterprise Value (EV)	EV/EBITDA		EV/EBIT		Dividend Yield
		LTM High	Market Cap		2024P	2025P	2024P	2025P	
Ashtead Group plc	\$ 69.89	91.7%	\$ 30,510.2	\$ 41,153.7	7.7x	7.0x	13.3x	12.1x	1.4%
Custom Truck One Source, Inc.	6.34	83.2%	1,539.9	2,958.4	6.4	6.0	12.6	12.7	NA
H&E Equipment Services, Inc.	54.77	95.9%	1,969.9	3,388.9	4.7	4.4	11.1	10.1	2.0%
Herc Holdings Inc.	151.89	97.0%	4,301.5	8,026.5	5.2	4.9	10.8	10.2	1.8%
Ryder System, Inc.	113.99	95.4%	5,005.7	11,915.7	4.1	3.8	12.0	11.2	2.5%
U-Haul Holding Company	63.82	87.4%	12,305.5	16,783.8	NA	NA	NA	NA	1.6%
United Rentals, Inc.	670.79	99.4%	45,071.5	56,226.5	8.0	7.7	13.8	13.1	1.0%
Mean		92.9%	\$ 14,386.3	\$ 20,064.8	6.0x	5.6x	12.3x	11.6x	1.7%
Median		95.4%	5,005.7	11,915.7	5.8	5.4	12.3	11.6	1.7%

Operating Statistics

Comparable Companies	Latest Period	LTM Revenue	LTM Gross Margin	LTM EBITDA Margin	Revenue CAGR		EBITDA CAGR		Net Debt / LTM EBITDA
					'21-'23	'23-'25	'21-'23	'23-'25	
Ashtead Group plc	10/31/2023	\$ 10,444.5	NM	43.5%	18.7%	8.7%	20.9%	9.6%	2.3x
Custom Truck One Source, Inc.	9/30/2023	1,830.1	24.9%	23.7%	10.6%	4.3%	13.4%	7.3%	3.3
H&E Equipment Services, Inc.	12/31/2023	1,469.2	46.6%	46.8%	17.6%	7.6%	29.2%	6.2%	2.1
Herc Holdings Inc.	12/31/2023	3,282.0	37.3%	44.2%	25.8%	5.2%	27.4%	6.4%	2.6
Ryder System, Inc.	12/31/2023	11,783.0	19.5%	21.6%	10.4%	8.9%	3.3%	11.1%	2.7
U-Haul Holding Company	12/31/2023	5,718.3	30.5%	33.7%	1.0%	NA	(8.5%)	NA	2.4
United Rentals, Inc.	12/31/2023	14,332.0	41.3%	47.8%	21.5%	4.1%	24.6%	3.3%	1.6
Mean		\$ 6,979.9	33.3%	37.3%	15.1%	6.5%	15.8%	7.3%	2.4x
Median		5,718.3	33.9%	43.5%	17.6%	6.4%	20.9%	6.9%	2.4

Sources: D.A. Davidson research, D.A. Davidson investment banking and CapitalIQ as of February 26, 2024. Represents consensus estimates as of February 26, 2024. Future estimates may be subsequently updated. Note: Debt excludes floorplan financing. Custom Truck One Source financial metrics are adjusted for its combination with Nesco. All figures shown in USD at historical exchange rates.

(1) Revenue growth estimates use consensus estimates as of February 26, 2023.

(2) Revenue growth estimates use consensus estimates as of February 26, 2024.



Specialty Vehicle – Selected Rental Commentary



- “Our end markets in North America remain robust with healthy demand, supported in the US by the increasing number of mega projects and recent legislative acts. We are in a position of strength, with the operational flexibility and financial capacity to capitalize on the opportunities arising from these market conditions and ongoing structural change” –*Brendan Horgan (CEO), Investor Transcript (12/5/2023)*
- Announced FY 2Q2024 results; net sales of £2.9B and EBITDA of £1.4B increased by 13% and 12% from the prior year period, respectively –*Press Release (12/5/2023)*



- **“End-markets remain very robust and CTOS is not changing its investment and expansion plans much. While in the very near-term, customer supply-chain issues in the actual assets that get installed (such as the transformers themselves) are mild headwinds, contractors are still sitting on record or near-record backlogs”** –*Davidson Research (11/8/2023)*
- Announced FY 3Q2023 results; net sales of \$434M and adj. EBITDA of \$100M increased by 21% and 9% from the prior year period, respectively –*Press Release (11/7/2023)*



- “Equipment rental industry fundamentals in 2024 are supported by several appealing factors... includ[ing] a forecast by Dodge Construction Network for 7% year-over-year improvement in construction starts, also a continuation of healthy nonresidential and industrial project backlogs... These backlogs are expected to support our view of higher equipment demand as the year progresses” –*Brad Barber (CEO & Director), Investor Transcript (2/22/2024)*
- Announced FY 2023 results; net sales of \$1.5B and EBITDA of \$688M increased by 18% and 27% from the prior year period, respectively –*Press Release (2/22/2024)*



- “The equipment rental market is continuing to benefit from strong demand across a variety of end markets, customer segments and geographies in 2024, and this diversification provides for growth and resiliency ...Herc is positioned well for trending opportunities as the federal and privately funded mega projects, large infrastructure jobs and the domestic manufacturing build-out continues to gather steam” –*Larry Silber (President & CEO), Investor Transcript (2/13/2024)*
- Announced FY 2023 results; net sales of \$3.3B and adj. EBITDA of \$1.5B increased by 20% and 18% from the prior year period –*Press Release (2/13/2024)*



- “Expecting organic lease growth of 4,000 which is on the high end of our target range of 2,000 to 4,000. So we feel that's probably going to be coming in throughout the year, maybe more -- a little bit more towards the back half but we still see a decent amount of demand in our lease business” –*Robert Sanchez (Chairman & CEO), Conference Transcript (2/22/2024)*
- Announced FY 2023 results; net sales of \$11.8B and adj. EBITDA of \$2.7B both decreased by 2% from the prior year period –*Press Release (2/14/2024)*



- “There have been a few positive signs in the consumer demand for either truck sharing or storage rentals... We are making some modest progress in backfilling the voids created in our fleet by vehicle manufacturers and willingness to build sufficient truck product basically since the beginning of COVID” –*Joe Shoen (President & CEO), Investor Transcript (2/8/2024)*
- Announced FY 3Q2024 results; net sales of \$1.3B and operating profit of \$198M decreased by 3% and 40% from the prior year period, respectively –*Press Release (2/8/2024)*



- “When we think about the tailwinds in aggregate, we're certainly in the early innings of this game. I mean some of the EV work and some of the chip plant work's been going on for a little bit, but there's still a lot more tail to go, to your point. And I would say, infrastructure is one of the other tailwinds we talk a lot about, that's still in the very early innings” –*Matt Flannery (President, CEO & Director) Conference Transcript (2/20/2024)*
- Announced FY 2023 results; net sales of \$14.3B and adj. EBITDA of \$6.9B both increased by 20%+ from the prior year period –*Press Release (1/24/2024)*

Note: Complimentary Davidson Research reports referenced above are available upon request.



EV Market Update – Selected Commentary

LION ELECTRIC

- “LEV reiterated that new-product rollouts (such as batteries produced internally and the Lion8 tractor) will weigh on gross margins for the first half of 2024. We view this as a transitory issue, since the company has brought other products to positive gross margins in the past, even at low volumes. Furthermore, LEV noted a significant amount of finished goods in inventory, which could be favorable for gross margins in 1Q and 2Q”
–Davidson Research (3/4/2024)

NIKOLA™

- “A lot went NKLA's way in 4Q:23 and early 2024, including initial deliveries of fuel-cell trucks and a re-introduction of the BEV truck; both have seen promising order activity”
–Davidson Research (3/4/2024)

- “We have independently confirmed orders from at least one of the world's largest fleets, along with enthusiasm for the product from dealers who have seen what the product can do... As such, we believe REE represents something of a “lottery ticket” at this point. We have driven the vehicle and heard from fleets and dealers, and the reactions have been positive” –Davidson Research (12/5/2023)

RIVIAN

- “We got the sense that the company will continue to deliver positive gross margins in 2025 as supply-chain and operational improvements gradually take hold. Naturally, we wondered if this would all come to a halt in 2026, when the R2 launches and is in early production. We were told that the R1 will still have plenty of volume and cost tailwinds still to come in 2026, which could act as an offset” –Davidson Research (2/22/2024)

Solid Power

- “SLDP noted that it is undergoing sampling with 10 to 15 automakers. While the company would not name them, we got the sense it was a mix of North American, European, and Asian battery companies and auto OEMs”
–Davidson Research (3/4/2024)

WORKHORSE

- “There was some good news: the W56 is officially in production. It was certainly good to hear that WKHS has officially launched production of the W56, following durability and validation testing”
–Davidson Research (11/21/2023)

XOS

- “XOS announced a proposed merger with Electrameccanica Vehicles (SOLO) in an all-stock deal. SOLO was once a maker of single-seat EVs, but has since exited the market and was in search of a landing place for its ~\$50M cash balance” –Davidson Research (1/12/2024)

Note: Complimentary Davidson Research reports referenced above are available upon request.



Davidson's Leading Specialty Vehicle Transaction Experience

has completed a secondary offering of common stock

\$41,112,500

Dealer & distributor of construction & material handling equipment

has completed a secondary offering of common stock

\$103,500,000

Designer & manufacturer of school buses

IPO and follow-on offerings

Manufacturer & upfitter of work truck equipment

has been acquired by

Distributor of agricultural and construction equipment

has been acquired by

a portfolio company of

Upfitter for law enforcement and specialty commercial vehicles

has been acquired by

a portfolio company of

Dealer & distributor of infrastructure & environmental equipment, parts and service

a portfolio company of

has been acquired by

Manufacturer & upfitter for municipal and commercial applications

a portfolio company of

has been acquired by

Manufacturer of recycling, forestry & biomass and tree care equipment

a portfolio company of

has been acquired by

Supplier of new, rebuilt and used maintenance-of-way rail equipment

has completed a secondary offering of common stock

\$ 303,600,000

Designer & manufacturer of specialty vehicles

has divested

Shuttle Bus Business

to

Designer & manufacturer of shuttle buses

has been acquired by

a portfolio company of

Provider of construction and compact utility vehicles and equipment

a portfolio company of

has acquired

Manufacturer of van & truck shelving and storage systems

has divested

Emergency Response Segment

to

Manufacturer of custom fire truck cabs & chassis and apparatus

has been acquired by

Manufacturer of delivery & service vehicles

a portfolio company of

has been acquired by

Manufacturer of vehicle-mounted aerial lifts and bridge equipment


Note: Includes transactions that Davidson investment bankers advised on at prior firms.



Case Study: REV Group Secondary Offering

Transaction Overview

- Davidson served as an underwriter on an upsized secondary common stock offering for REV Group, Inc. (“REVG” or the “Company”)
- Offering consisted of 18,400,000 shares of common stock priced at \$16.50 per share
- REVG is a leading designer, manufacturer and distributor of specialty vehicles and related aftermarket parts and services
- Provides customized vehicle solutions for several applications, including essential needs for public services, commercial infrastructure and consumer leisure
- Transaction closed in February 2024



has completed a secondary offering of common stock

\$ 303,600,000

REV Group Company Overview

Key Figures ⁽¹⁾	Key Products	Select Brands
<p>~\$2.4B Revenue</p> <p>\$140M+ Adj. EBITDA</p> <p>6,500+ Employees</p>	<p>Specialty Vehicles</p>  <p>Recreational Vehicles</p> 	

(1) As reported in REV Group’s January 2024 strategic update presentation. Financial metrics exclude Collins Bus and ENC.



Case Study: Alta Equipment Group Secondary Offering

Transaction Overview

- Davidson served as lead bookrunner on a secondary common stock offering for Alta Equipment Group Inc. (“ALTG” or the “Company”)
- Offering consisted of 2,530,000 shares of common stock priced at \$16.25 per share
- ALTG owns and operates one of the largest integrated equipment dealership platforms in the U.S. and has a presence in Canada
- Through the Company’s branch network, ALTG sells, rents and provides part and service support for several categories of specialized equipment
- Transaction closed in July 2023



has completed a secondary
offering of common stock

\$41,112,500

Alta Equipment Group Company Overview

Key Figures⁽¹⁾

~\$1.7B
Revenue

~10%
Adj. EBITDA Margin

~2,800
Employees

14
Acquisitions
Since 2020

Key Products



Material Handling



Construction



E-Mobility



Distribution

Select Brands



(1) As reported in Alta Equipment Group’s May 2023 investor presentation.



Case Study: Sale of Maverick Environmental Equipment to Grand Equipment

Transaction Overview

- Davidson served as financial advisor to Maverick Environmental Equipment (“Maverick”) on its sale to Grand Equipment Company (“Grand”), a portfolio company of Cognitive Capital Partners (“Cognitive”)
- Maverick is a leading regional dealer and distributor of critical infrastructure and environmental equipment, parts and service
- Grand is a full-service equipment dealer, offering new and used equipment sales, parts, service and a dedicated rental fleet
- Transaction closed in June 2023



Maverick Environmental Equipment Company Overview


Key Figures	Key Products	Mix
<p>50+ Employees</p> <p>1,000+ Customers</p> <p>4 Facilities</p>	<div data-bbox="634 1255 989 1409"> <p>Infrastructure</p> </div> <div data-bbox="634 1465 989 1619"> <p>Recycling</p> </div> <div data-bbox="634 1675 989 1829"> <p>Forestry / Vegetation</p> </div>	<p>Total Revenue</p> <ul style="list-style-type: none"> Equipment Sales: ~70% Rental: ~10% Parts: 10% Service: ~10% <p>Equipment Revenue</p> <ul style="list-style-type: none"> Infrastructure: ~60% Recycling: ~30% Forestry / Vegetation: ~10%



Case Study: Blue Bird Corporation Secondary Offering

Transaction Overview

- Davidson served as an underwriter on a secondary common stock offering for Blue Bird Corporation (“Blue Bird” or the “Company”)
- Offering consisted of 5,175,000 shares of common stock priced at \$20.00 per share
- Blue Bird is a leading designer and manufacturer of alternative powered school buses, including propane, gasoline, compressed natural gas and all-electric-powered buses
- Transaction closed in June 2023





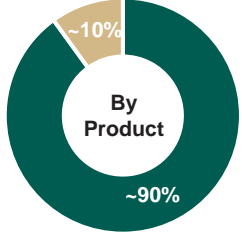
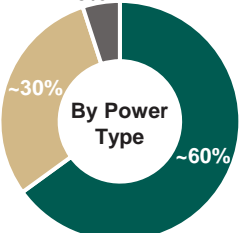


BLUE BIRD

has completed a secondary offering of common stock

\$103,500,000

Blue Bird Corporation Company Overview

<p>Key Figures⁽¹⁾</p> <p>\$1B+ Revenue</p> <p>5%+ Adj. EBITDA Margin</p> <p>6,500+ Unit Sales</p> <p>50+ Dealers</p>	<p>Key Products</p> <div style="text-align: center;">  <p>Type C</p> </div> <div style="text-align: center;">  <p>Type D Rear Engine</p> </div> <div style="text-align: center;">  <p>Type D Front Engine</p> </div> <div style="text-align: center;">  <p>Type A</p> </div>	<p>Mix⁽²⁾</p> <div style="text-align: center;">  <p>By Product</p> <p>■ Buses ■ Parts</p> </div> <div style="text-align: center;">  <p>By Power Type</p> <p>■ Alternative ■ Diesel ■ Other</p> </div>
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(1) Revenue and EBITDA margin based on FY2023 guidance as of May 2023.
 (2) Based on April 2023 LTM financials



Case Study: Sale of Kerr Industries to Safe Fleet

Transaction Overview

- Davidson served as financial advisor to Kerr Industries (“Kerr” or “the Company”) on its sale to Safe Fleet, a portfolio company of Oak Hill Capital
- Kerr is a leading specialty vehicle upfitter, providing highly engineered, integrated solutions for the law enforcement, emergency response and specialty commercial vehicle markets
- Safe Fleet is a supplier of safety and productivity solutions for fleet vehicles
- Transaction closed in September 2022








has been acquired by



a portfolio company of



Kerr Industries Company Overview

Key Figures	Key Products	Vehicle Types
<p>12,500+ Annual Vehicles Upfitted</p>	 <p>Lighting & Technology</p>	 <p>Municipal / Law Enforcement</p>
<p>125+ Employees</p>	 <p>Safety / Prisoner Containment</p>	 <p>Specialty Commercial</p>
<p>5 Facilities</p>	 <p>Specialized Storage</p>	



Case Study: Sale of Heartland AG Systems to Titan Machinery

Transaction Overview

- Davidson served as financial advisor to Heartland AG Systems (“Heartland” or “the Company”) on its sale to Titan Machinery (NASDAQ:TITN)
- Heartland is the largest CASE IH Application Equipment distributor in North America and one of the leading national distributors for sprayer parts and accessories to co-operatives and farm service providers
- Titan Machinery sells and repairs agricultural equipment, including machinery and attachments for large-scale farming and home and gardening purposes, as well as construction equipment
- Transaction closed in August 2022

Heartland AG Systems Company Overview

Key Figures	Key Products	Mix
<p>\$200M+ Revenue</p> <p>~25% Gross Margin</p> <p>12 Retail Stores</p> <p>4 Acquisitions Since 2014</p>	<p>New Equipment</p> <p>Used Equipment</p> <p>Parts & Service</p>	<p>Revenue (2021)</p> <ul style="list-style-type: none"> Parts & Service: ~30% Equipment (New & Used): ~70% <p>New Equipment Revenue (2021)</p> <ul style="list-style-type: none"> Case IH: ~30% Other Brands: ~10% Manufactured Products: ~60%



Case Study: Sale of Monroe Truck Equipment to Aebi Schmidt Group

Transaction Overview

- Davidson served as financial advisor to Monroe Truck Equipment (“Monroe” or “the Company”) on its sale to Aebi Schmidt Holding AG (“ASH”)
- Monroe is a leading snow and ice equipment, truck bodies and trailer manufacturer and upfitter for municipal and commercial applications
- Aebi Schmidt Group manufactures special-purpose vehicles and attachments, offering winter maintenance technology products including snow clearance and de-icing equipment
- Transaction closed in December 2021



a portfolio company of



has been acquired by



Monroe Truck Equipment Overview

Key Figures

~\$270M
Revenue

2
Acquisitions
Since 2017

9
Facilities

Key Products



Snow & Ice



Truck Equipment



Trailers

Select Brands



SOUTHERN COACH
A MONROE TRUCK EQUIPMENT, INC. COMPANY

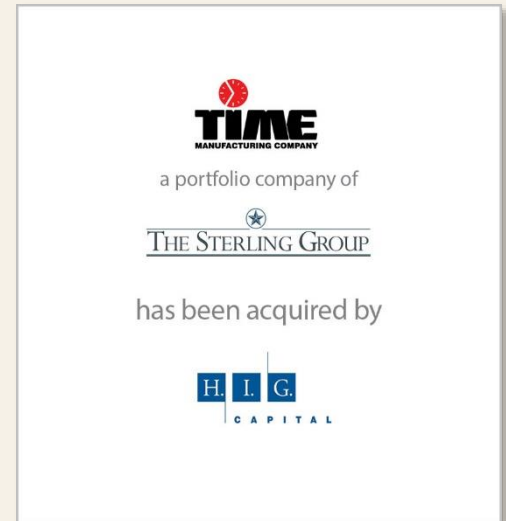




Case Study: Sale of Time Manufacturing to H.I.G. Capital

Transaction Overview

- Davidson served as financial advisor to Time Manufacturing Company (“Time”) on its sale to H.I.G. Capital
- Time is a global designer, manufacturer and distributor of vehicle-mounted aerial lifts, truck bodies and bridge inspection units across critical applications
- H.I.G. Capital is a global alternative assets investment firm primarily focused on small and medium sized companies in specialty manufacturing, building products and industrials
- Transaction closed in December 2021



Time Manufacturing Company Overview

Key Figures

2,000+
Employees

9
Manufacturing
Facilities

9
Acquisitions
Since 2018

Key Products



Non-Insulated Lifts



Insulated Lifts



High Access Lifts



Fiberglass Bodies

Select Brands





Case Study: Sale of RJV Equipment to Hills Machinery

Transaction Overview

- Davidson served as financial advisor to RJV Equipment, LLC (“RJV”) on its sale to Hills Machinery Company, a portfolio company of Prophet Equity, in November 2021
- RJV is a Tennessee-based dealer and rental company of Ditch Witch and Kubota equipment complemented by an offering of parts and maintenance services
- RJV has dealerships in Nashville and Knoxville, and services a diverse customer base within the utility infrastructure and commercial construction end markets
- Transaction closed in November 2021

RJV Equipment
has been acquired by
HILLS MACHINERY
a portfolio company of
Prophet Equity

RJV Equipment Company Overview

<p>Key Figures</p> <p>35 Employees</p> <p>~20 OEM Equipment Brands</p> <p>2 Facilities</p>	<p>Key OEMs</p> <p>Ditch Witch Kubota</p> <p>Primary OEMs</p> <p>ANA, BLUE DIAMOND ATTACHMENTS, CAM SUPERLITE, Chicago Pneumatic, Cummins, DEUTZ, Diamond Mowers, Epiroc, ERSKINE, FELLING TRAILERS, KOHLER, Land Pride, PALADIN, USA ATTACHMENTS, VACUWORX, YANMAR</p> <p>Complementary OEMs</p>	<p>New Equipment Offering</p> <p>Ditch Witch</p> <ul style="list-style-type: none"> Directional Drills Trenchless Tools Vacuum Excavators Track Loaders Excavators Skid Steers <p>Kubota</p>
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An Experienced, Proven and Trusted Advisor in the Specialty Vehicle Sector

- Eric Stetler leads Davidson's Specialty Vehicle practice with over 15 years of experience
- Davidson's investment bankers have advised on several high-profile transactions within the Specialty Vehicle space, with nearly \$2 billion in total transaction value over the last 18 months
- Deep experience working with privately owned, financial sponsor backed and public companies within the Specialty Vehicle sector

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Comprehensive Research Coverage in the Specialty Vehicle Sector

- Michael Shlisky joined Davidson in 2021 with over 15 years of experience in equity research
- Previously worked at Colliers, Seaport Global and J.P. Morgan
- Comprehensive coverage focused on specialty vehicle, electric vehicle and mobile industrial equipment

Specialty Vehicle Research Coverage



Michael Shlisky, CFA

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Machinery and Clean Tech
Industry Update
Business of Buys: February 2024 Update

This industry data that we have received for January revealed a 3% increase in the month, against order season changes up. That said, school was 1% in January. Orders were very strong during the season. We are already modeling BLDG's best placement quarter of the year production challenge resulted in an all-time high order again. Industry Research continues to expect healthy growth in units through 2026, if our coverage. Q4 2023 20% YTD and 1.2% Q4 2023 participation in the sector.

- Total bus orders up 9% YTD in January; school buses up 9%. Bus orders were 2.02 units, up 1% YTD, vs. up 10% in December. In the key school bus category, orders were up 9% YTD in January.
- Total bus production down 3% YTD in January; school buses total industry bus production was 1.83 units, down 3% YTD, vs. and down 10% in November. In the key school bus category, production was down 3% YTD in January.
- Total bus retail sales down 9% YTD in January; school buses total industry bus retail sales were 2.01 units, down 9% YTD, vs. up 1% in November. In the key school bus category, sales were 1.83 units, down 9% YTD, vs. up 1% in November. Total bus backlog was up 3% YTD in January.
- Total bus backlog up 11% YTD in January; school bus backlog total industry bus backlog was 28.432 units, up 11% YTD, vs. up 7% in November. Total bus backlog was up 3% YTD in January. In the key school bus category, backlog was up 3% YTD in January and up 3% YTD in November.
- Total bus inventories up 19% YTD in January; school buses, industry bus inventories were 2.01 units, up 1% YTD, vs. up 1% in November. In the key school bus category, inventories were up 1% YTD in January.
- State and local tax incentives up YTD in Q4 2023 (based on period available). A key driver of school bus procurement in the state and local government is property tax receipts. Tax receipts were up 1.1% in the first quarter of '24 following two consecutive quarters of decline since the Great Recession. We expect Q2 23 information.
- What to do with the stocks: Buy BLDG, LEV. The school bus industry continues to show strong growth and the industry is expected to continue to grow. To look, the acquisition for the average selling price per vehicle in the industry group between the LEV and LEV for different company-specific reasons on top of the industry.

Please refer to pages 5 - 6 of this report for detailed disclosure and

D.A. DAVIDSON
Institutional Equity Research

Machinery
Industry Update
Institutional Ownership & Trading Update: February 2024

We analyzed recent 13F filings on companies within our coverage universe, tracking major institutional moves in and out of these stocks. In Q4, we saw significant activity in the school bus sector. Interestingly, hedge funds were buyers of DE in Q4, while long-only players were sellers. We also saw a net outflow of institutional funds in Q4, opening the door for significant institutional buying. We also provide an update in this note on the CAT vs. DE swap trade, an ever-evolving situation. Despite reports that the Ag sector will be returning to red-green in 2024, investors are positioned the long-term toward DE at 7 years.

CAT vs. DE: long-term value creation

- Long DE/short CAT: long CAT/short DE: the never-ending trade. Some institutional players have been known to invest in DE and CAT continuously, choosing one long and one short. For example, an investor can buy DE in an effort to be bullish on the Ag sector, while being a short position in CAT to hedge construction equipment risk. The investor can also be executed for investors who wish to short the Ag sector. One stark example of the long-term value creation in Q4 2023, when DE's CEO mentioned a \$500M structural cost reduction on the F500 conference call. While DE's shares spiked at the time, short interest in CAT immediately peaked.
- The DE/CAT trade is the most-awarded long DE in 7 years. The CAT/DE trade has been long DE for most of the last three years, after a long period of the reverse. That said, during Q4, the net trade was more skewed toward DE than we have seen since 2016, based on October 2022. The net trade was the trade toward CAT for the long side for an appropriate period of time, the general fund has gradually increased more and more toward long DE/short CAT (see Figure 1 and Page 2). While there could be an array of fundamental explanations for this activity, the net long DE positioning suggests that most of the 2024 Ag downturn has already been received and digested as a correction to the mean rather than the beginning of a long-term bear market.

Key takeaways from recent institutional transactions

- Hedge fund buyers, long-only sellers of DE in Q4. A mix of large institutional buyers and sellers of DE during Q4 reveals a trend toward long long positions and long only players entering the stock. Among buyers of DE shares, we noted Viking and Equis as top 3 owners in the quarter. Among sellers, Wellington, Fidelity, and TIAA-CREF made up the top 3 sellers.
- CTOS had several large players close out their positions, this may explain the single day of significant downside in Q4. CTOS shares declined ~25% after Q2 23 earnings on a net basis. Large investors exited the trade on the expiration call expiring as a result of the event. CTOS's management with management involved with other issues at work, and the outlook for Electric F&D and CTOS's leadership remained strong. However, large players such as Fidelity and J.P. Morgan Asset Management closed out significant positions in the quarter (particularly after the stock decline). CTOS's CEO and other members of management made significant secondary purchases of the stock.
- Significant movement around CMH's move to a sole listing in New York. CMH officially removed its listing in Milan at the end of Q4, focusing solely on the NYSE. In advance of the event, we believe several large institutions used CMH's shares as they were no longer suitable for their portfolio. For example, institutional funds which are not permitted to trade US stocks. CMH's price changed significantly for the remainder of the quarter. As such, there were some significant changes to CMH's list of shareholders in the quarter. We believe other major portfolio changes after the start of Q4 24, but by the end of the quarter CMH's institutional shareholders showed interest.
- There were a few significant moves in Clean Tech in the quarter—beyond the issuance of new equity. During Q4, T. Rowe Price, arguably a top 5 holder of RPA, appears to have added 20% or more shares to its position. Credit Research and Wellington were among the institutional investors who substantially reduced positions.

Please refer to pages 16 - 27 of this report for detailed disclosure and certification information.

D.A. Davidson & Co. Member SIPC

SPECIALTY VEHICLE / MOBILE EQUIPMENT



(1) ALTA and IDEX are covered by Matt Summerville.

ELECTRIC VEHICLE (EV)





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Glossary of Terms & Other Important Information

EBITDA – Earnings before interest, taxes, depreciation & amortization. An approximate measure of a company's operating cash flow based on data from the company's income statement.

EBIT – Earnings before interest and taxes. A measure of a company's earning power from ongoing operations, equal to earnings before deduction of interest payments and income taxes.

Enterprise Value (EV) – Market value of equity plus debt less cash. A measure of what the market believes a company's ongoing operations are worth.

LTM – Last twelve months. Time period used when referencing a financial statistic.

NTM – Next twelve months. Time period used when referencing a financial statistic.

The S&P 500 – An unmanaged common stock index commonly used to measure and report common stock performance.



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