



**DOUGLAS
DYNAMICS**

INVESTOR PRESENTATION – NOV. 2022

Bob McCormick – President and Chief Executive Officer

Sarah Lauber – Chief Financial Officer

FORWARD-LOOKING STATEMENTS



This presentation contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation, product demand, the payment of dividends, and availability of financial resources. These statements are often identified by use of words such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will" and similar expressions and include references to assumptions and relate to our future prospects, developments, and business strategies. Such statements involve known and unknown risks, uncertainties and other factors that could cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements.

Factors that could cause or contribute to such differences include, but are not limited to, weather conditions, particularly lack of or reduced levels of snowfall and the timing of such snowfall, including as a result of global climate change, our ability to manage general economic, business and geopolitical conditions, including the impacts of natural disasters, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as the COVID-19 pandemic, our inability to maintain good relationships with our distributors, our inability to maintain good relationships with the original equipment manufacturers with whom we currently do significant business, lack of available or favorable financing options for our end-users, distributors or customers, increases in the price of steel or other materials, including as a result of tariffs, necessary for the production of our products that cannot be passed on to our distributors, increases in the price of fuel or freight, a significant decline in economic conditions, the inability of our suppliers and original equipment manufacturer partners to meet our volume or quality requirements, inaccuracies in our estimates of future demand for our products, our inability to protect or continue to build our intellectual property portfolio, the effects of laws and regulations and their interpretations on our business and financial condition, our inability to develop new products or improve upon existing products in response to end-user needs, losses due to lawsuits arising out of personal injuries associated with our products, factors that could impact the future declaration and payment of dividends or our ability to execute repurchases under our stock repurchase program, our inability to compete effectively against competition, our inability to achieve the projected financial performance with the business of Henderson Enterprises Group, Inc. ("Henderson"), which we acquired in 2014, or with the assets of Dejana Truck & Utility Equipment Company, Inc., which we acquired in 2016, and unexpected costs or liabilities related to such acquisitions or any future acquisitions, as well as those discussed in the section entitled "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2021 and any subsequent Form 10-Q filings.

You should not place undue reliance on these forward-looking statements. In addition, the forward-looking statements in this release speak only as of the date hereof and we undertake no obligation, except as required by law, to update or release any revisions to any forward-looking statement, even if new information becomes available in the future.

TWO MARKET LEADING SEGMENTS



Work Truck Attachments (“WTA”)

- Three leading commercial snow and ice control brands
- Track record of innovation and defensible IP
- Superior service and quality driving leading market presence
- Exceptional margin profile
- Growth opportunities in non-truck products

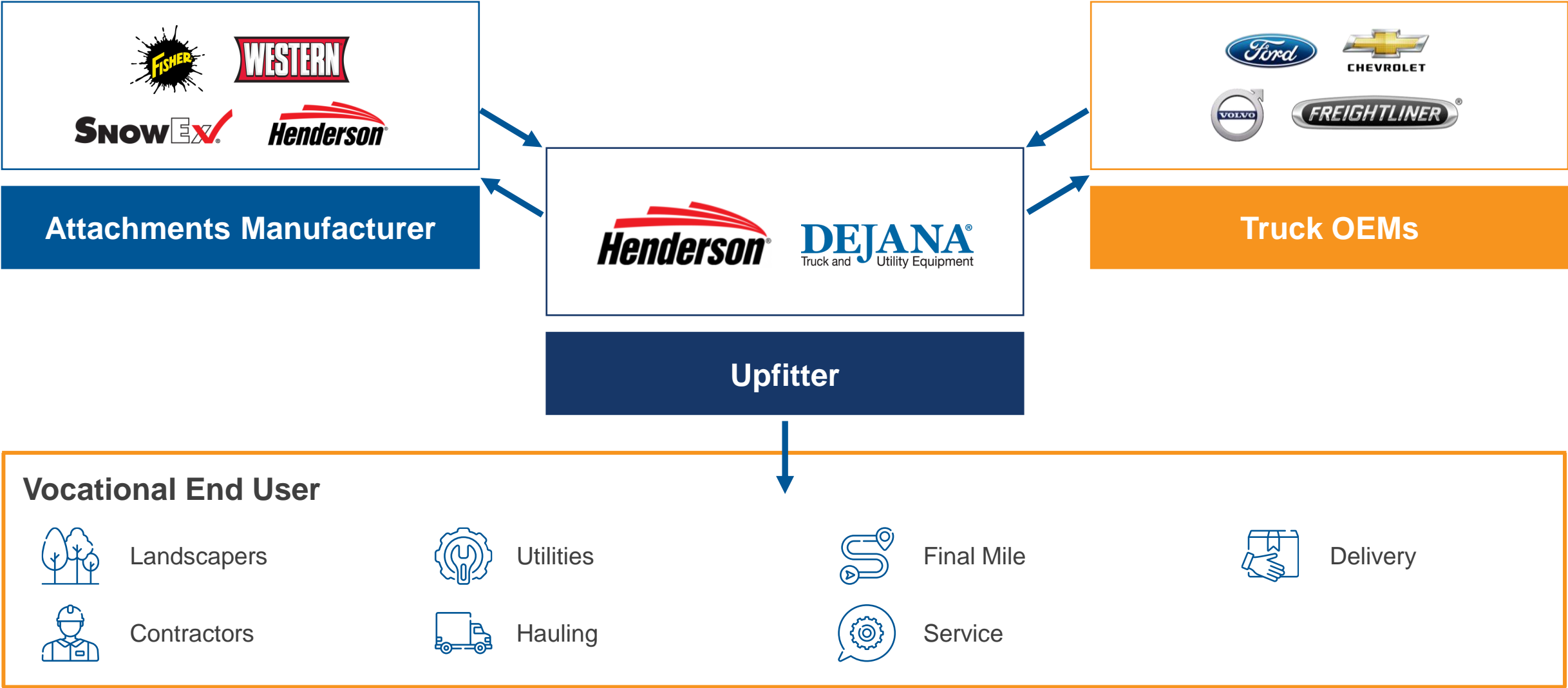


Work Truck Solutions (“WTS”)

- Leading provider of customized solutions and upfit services (Class 4-8)
- Strong relationships with truck OEM’s including largest bailment pool for Ford
- Leading provider of Municipal snow & ice control solutions
- Broad and diverse customer base
- Unlocking improvement in a custom environment via DDMS




WORK TRUCK INDUSTRY STRUCTURE



CAPABILITIES ACROSS THE WORK TRUCK MARKET



Class 1 – 3



Light Duty Trucks
Ford F-150
Chevy 2500



Class 3 – 6



Medium Duty
Ford F-450
Chevy Topkick

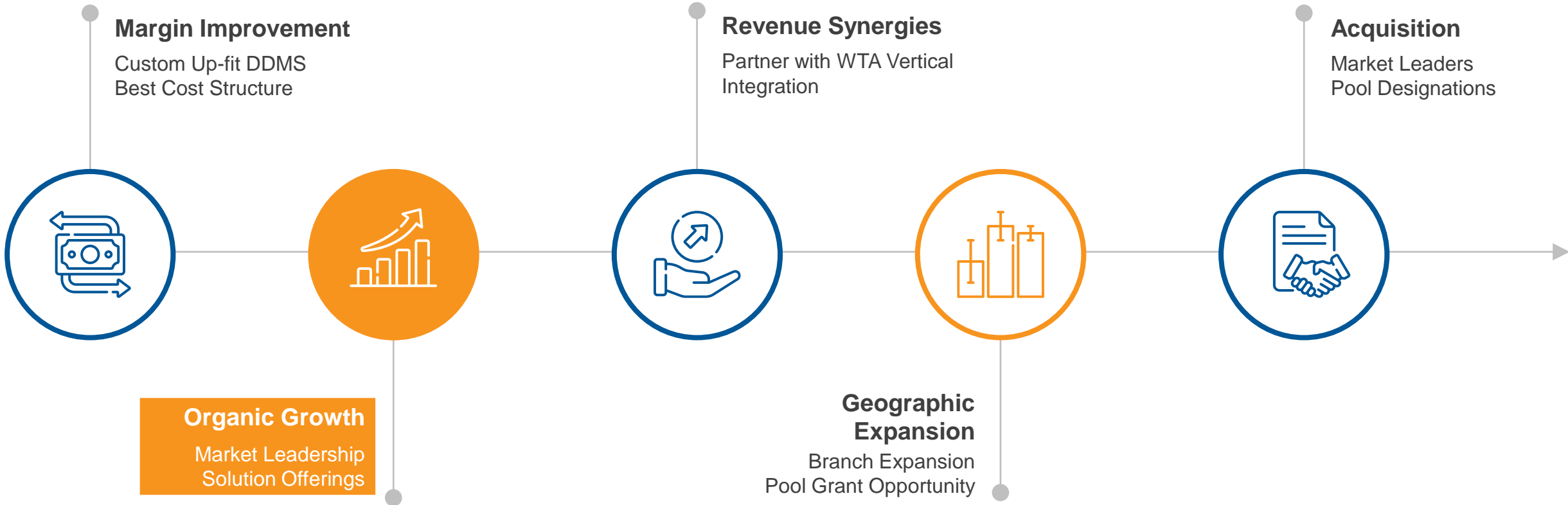


Class 7 – 8



Heavy Duty
Freightliner
International

LONG-TERM GROWTH STRATEGY



WTS: POSITIONING FOR LONG-TERM PROFITABLE GROWTH



DEJANA[®]
Truck and Utility Equipment

Henderson[®]



Significant backlog entering 2023



Maintaining upfit volume with fewer facilities



Expanding DDMS implementation



Self-help initiatives: Cost reductions, sourcing, product redesign

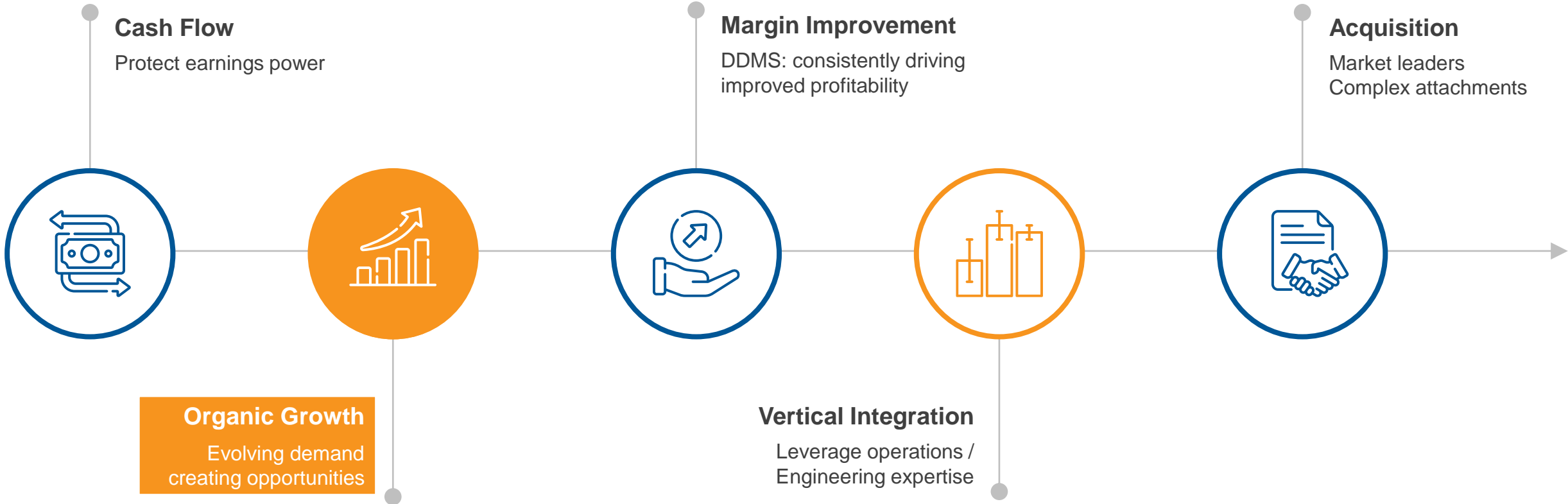


Longer term focus on reducing chassis dependency

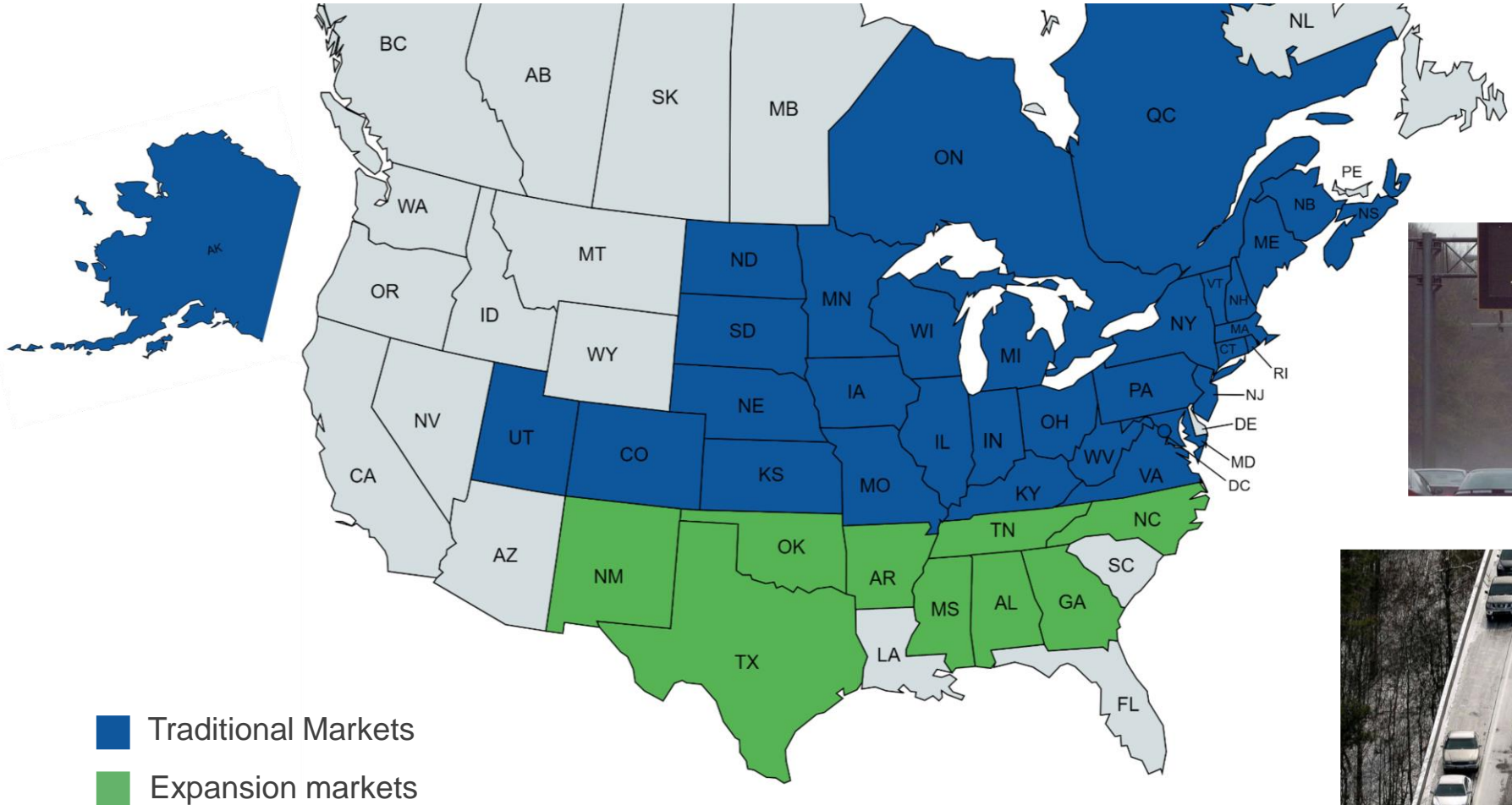


Exploring Vertical Integration e.g. Dynapro

LONG-TERM GROWTH STRATEGY



WTA: DISRUPTION CREATING DEMAND OUTSIDE "SNOWBELT"



WTA: SHIFTING SOCIETAL EXPECTATIONS CREATING OPPORTUNITIES



Increased focus on safety

- Pressure for higher levels of service due to safety concerns and increasingly litigious society

Environment and regulations

- State legislation driving change
- Increasing use of liquids to pre-treat
- Preventative snow and ice management

Customer demand for services

- 24 / 7 / 365 access *now required*
- Changing expectations and increasing impatience
- People willing to pay for priority
- Driving demand for equipment



WTA: EXPANDING SNOW & ICE CONTROL METHODS



WTA: PRODUCT PORTFOLIO EXPANSION OPPORTUNITIES



Increasing Complexity

Requires professional installation

- ✓ Highly engineered
- ✓ Complex manufacturing
- ✓ Intricate electrical / hydraulics
- ✓ Intellectual property
- ✓ Regulatory barriers



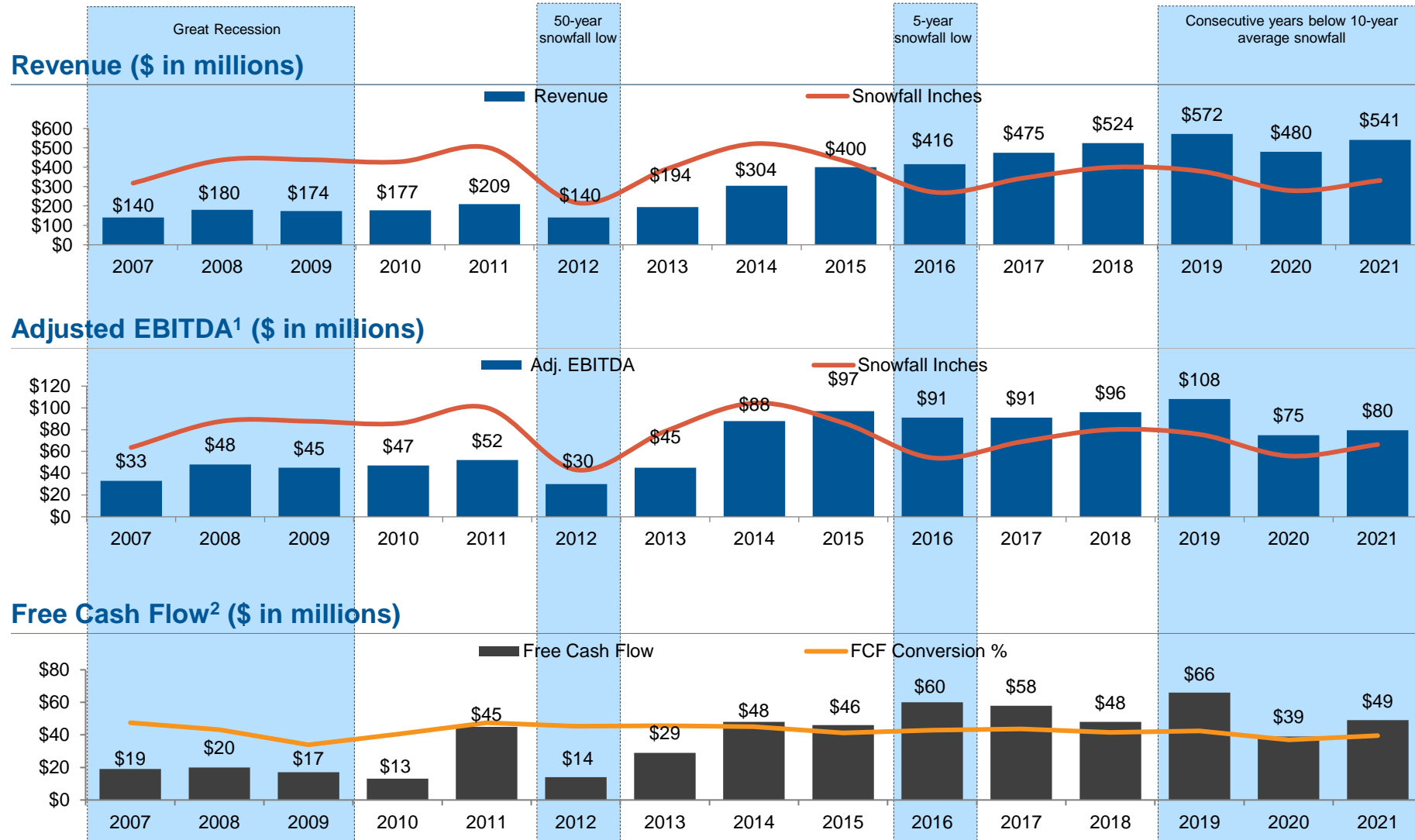
- ✓ End-user installation possible
- ✓ Lower price, lower margin
- ✓ Potential big box / online



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FINANCIAL OVERVIEW

RESILIENT BUSINESS MODEL



Source: Company filings

¹: Non-GAAP metric is reconciled to nearest GAAP metric within the Company's 10-K as filed with the SEC as dated a 2/22/22

²: Free Cash Flow defined as cash from operating activities less capital expenditures and Free Cash Flow Conversion is defined as Free Cash Flow / cash from operating activities

Q3 2022 FINANCIALS – POSITIVE DEMAND CONTINUES



- In line with internal expectations
- WTA: Strong pre-season
- WTS: Backlog remains strong
- Both segments delivered marked improvements across the board compared to the prior year
- Net Sales increased 30% to \$166.1 Million
- Net Income increased 89% to \$13.3 million, or \$0.56 of Diluted EPS

Raised and narrowed 2022 guidance

	Low	High
Sales	\$600M	\$630M
Adj EBITDA	\$80M	\$95M
Adj EPS	\$1.65	\$2.05
Tax Rate	24%	25%

Guidance assumes average snowfall for the fourth quarter and no significant changes to economic conditions or supply chain.

LONG-TERM FINANCIAL TARGETS



**WORK TRUCK
ATTACHMENTS**

Sales growth – low to mid-single digits
EBITDA % profile – mid to high 20's

**WORK TRUCK
SOLUTIONS**

Sales growth – mid to high-single digits
EBITDA % Profile – low teens

Expanding Vertical Integration

Disciplined Acquisition Strategy

2025 Targeted Adjusted EPS of \$3.00 +

Assumptions: average snowfall, consistent chassis delivery, stable economy, no transformative acquisitions

SIGNIFICANT FREE CASH FLOW SUPPORTS GROWTH STRATEGY



Average Over Past Five Years²:

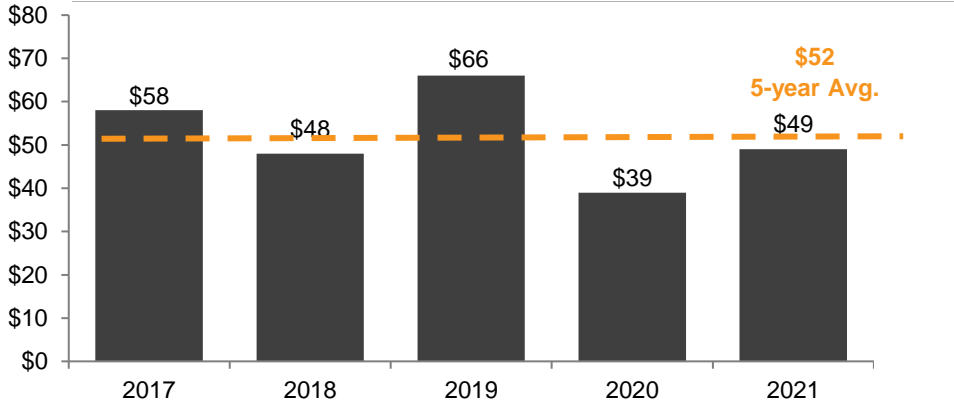
FCF: ~\$52 Million

FCF as a % of Adjusted Net Income:
~132%³

CapEx: ~3% of Sales



Free Cash Flow (FCF)¹ (\$ in millions)

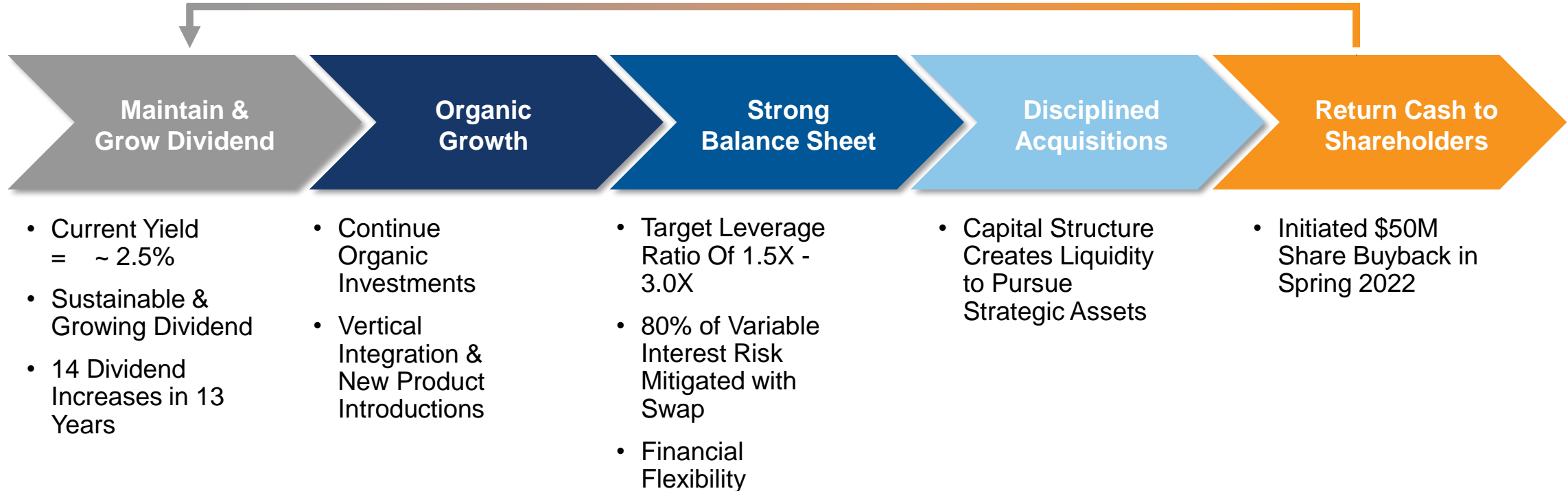


¹ Free Cash Flow defined as cash from operating activities less capital expenditures and Free Cash Flow Conversion is defined as Free Cash Flow / cash from operating activities

² Reflects 5 year average from 2017 through 2021

³ Non-GAAP metric is reconciled to nearest GAAP metric within the Company's 10-K as filed with the SEC

DISCIPLINED, CONSISTENT CAPITAL ALLOCATION STRATEGY



ROADMAP TO LONG-TERM VALUE CREATION



Drive organic growth through diversification

Innovation and diversification to further strengthen market position



Execute effectively

Delivering margin improvements via DDMS and evolving talent strategy



Deliver long-term shareholder value

Committed to goal of \$3.00 EPS in 2025 and sustainable dividend growth





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