DOUGLAS DYNAMICS

INVESTOR PRESENTATION
BAIRD CONFERENCE - NOV. 2023

Bob McCormick – President and Chief Executive Officer

Sarah Lauber – Executive Vice President, 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, labor strikes, 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, 2022 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 defendable 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

Attachments Manufacturer

Truck OEMs

Upfitter

Vocational End User

- Landscapers
- Utilities
- Final Mile
- Delivery
- Contractors
- Hauling
- Service

CAPABILITIES ACROSS THE WORK TRUCK MARKET

FISHER SnowEx WESTERN

Class 1 – 3

Light Duty Trucks
Ford F-150
Chevy 2500

DEJANA® Truck and Utility Equipment

Class 3 – 6

Medium Duty
Ford F-450
Chevy Topkick

Henderson®

Class 7 – 8

Heavy Duty
Freightliner
International

LONG-TERM GROWTH STRATEGY

Near-Term → Long-Term

Margin Improvement
Custom Up-fit DDMS
Best Cost Structure

Organic Growth
Market Leadership
Solution Offerings

Revenue Synergies
Partner with WTA Vertical Integration

Geographic Expansion
Branch Expansion
Pool Grant Opportunity

Acquisition
Market Leaders
Pool Designations

WTS: POSITIONING FOR LONG-TERM PROFITABLE GROWTH

- 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

In reference to the recent UAW strike: *As of October 31st, 2023, we do not believe the recent UAW strike will materially impact our ability to operate in 2023.*

LONG-TERM GROWTH STRATEGY

Near-Term → Long-Term

Cash Flow
Protect earnings power

Organic Growth
Evolving demand creating opportunities

Margin Improvement
DDMS: consistently driving improved profitability

Vertical Integration
Leverage operations / Engineering expertise

Acquisition
Market leaders
Complex attachments

WTS: IMPROVED 3Q23 RESULTS

Positives

- Improved chassis availability translated into stronger results in 3Q23 compared to 3Q22.
- 3Q23 Net Sales increase ~18% to $68.2M compared to 3Q22.
- Significant EBITDA margin improvement to 7.3% in 3Q23 compared to 3Q22.
- UAW strike has not impacted WTS to date.
- Tentative agreement between UAW and OEMs.

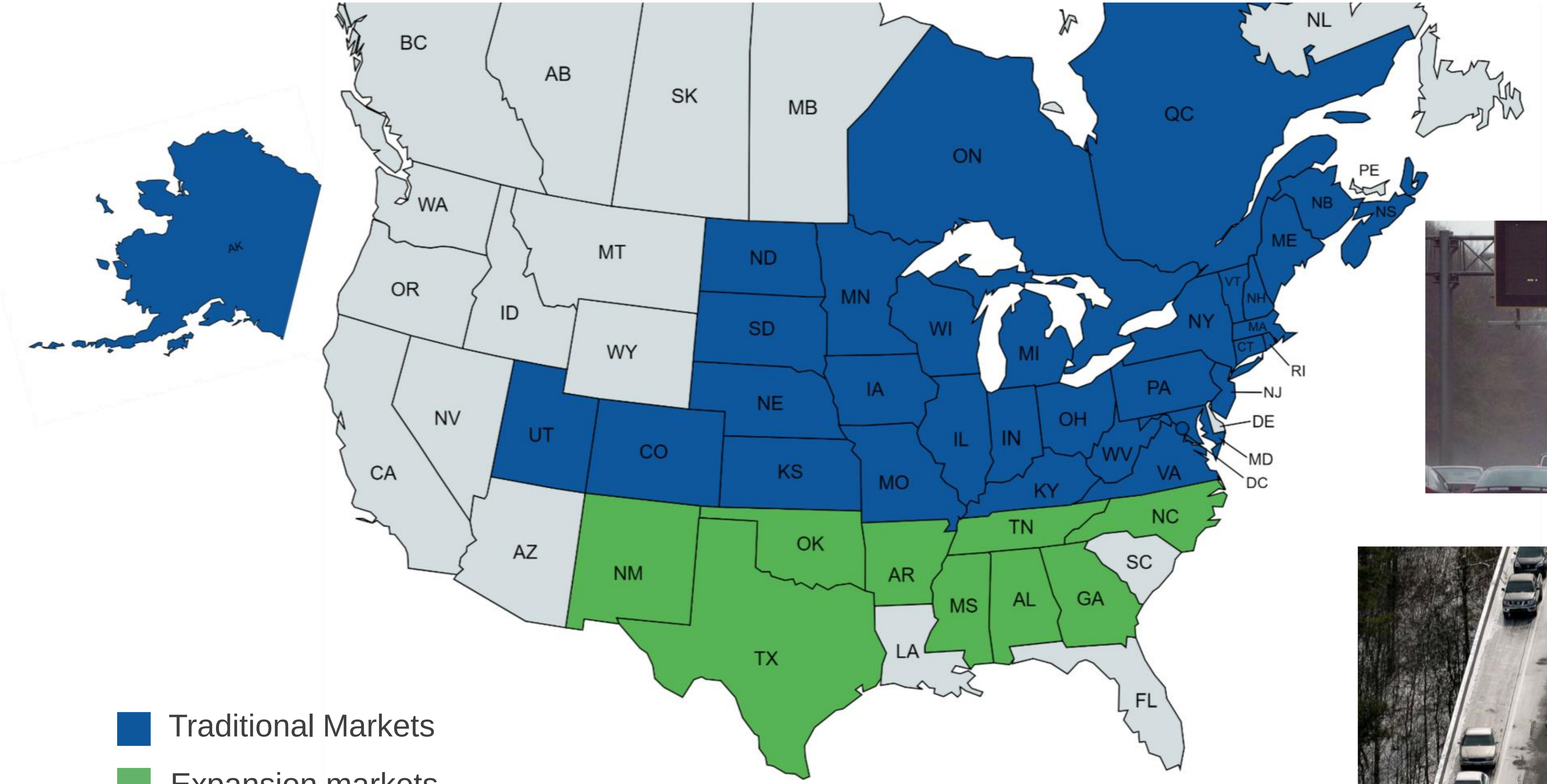
WTA: SHIFTING TO EL NIÑO PATTERN

Source: Henry Margusity - Weather Madness

Our observations:

- Past four years = La Nina patterns – typically lower precipitation on the East Coast
- Shifting to El Nino pattern for next three years
- Typically leads to above average precipitation

WTA: DISRUPTION CREATING DEMAND OUTSIDE SNOWBELT



Traditional Markets

Expansion markets

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

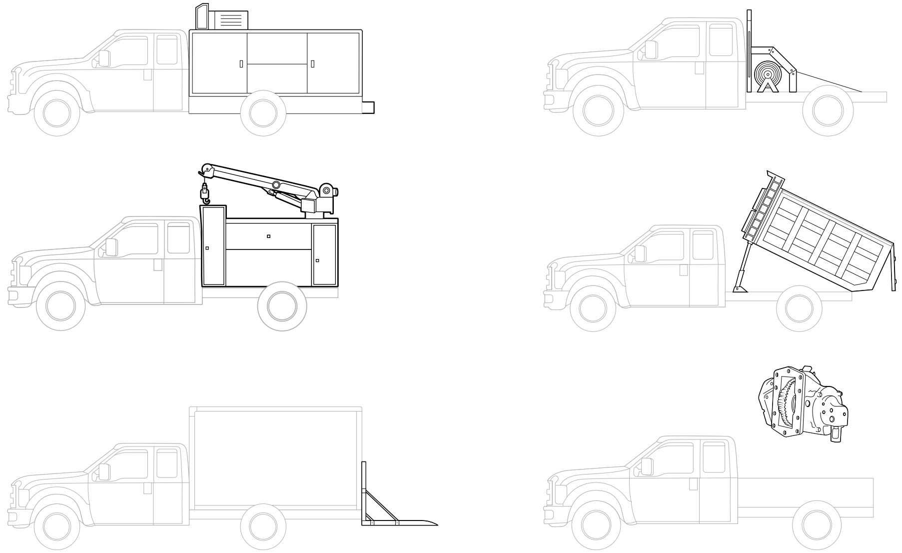
Customer demand for services

- 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

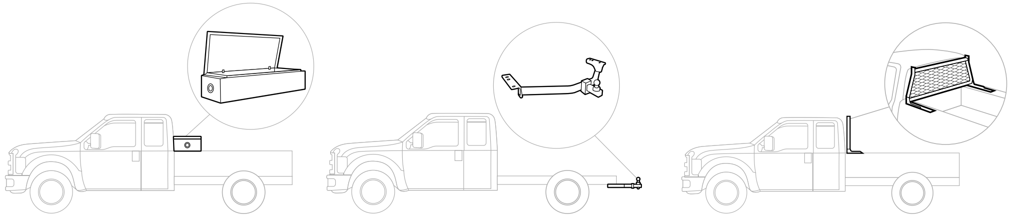
WTA: PRODUCT EXPANSION OPPORTUNITIES

Increasing Complexity



Key Criteria

- Highly engineered
- Complex manufacturing
- Hydraulics
- Intricate electrical
- Intellectual property
- Regulatory barriers
- Mission critical performance
- Complex certification
- Professional user
- Decreased price sensitivity



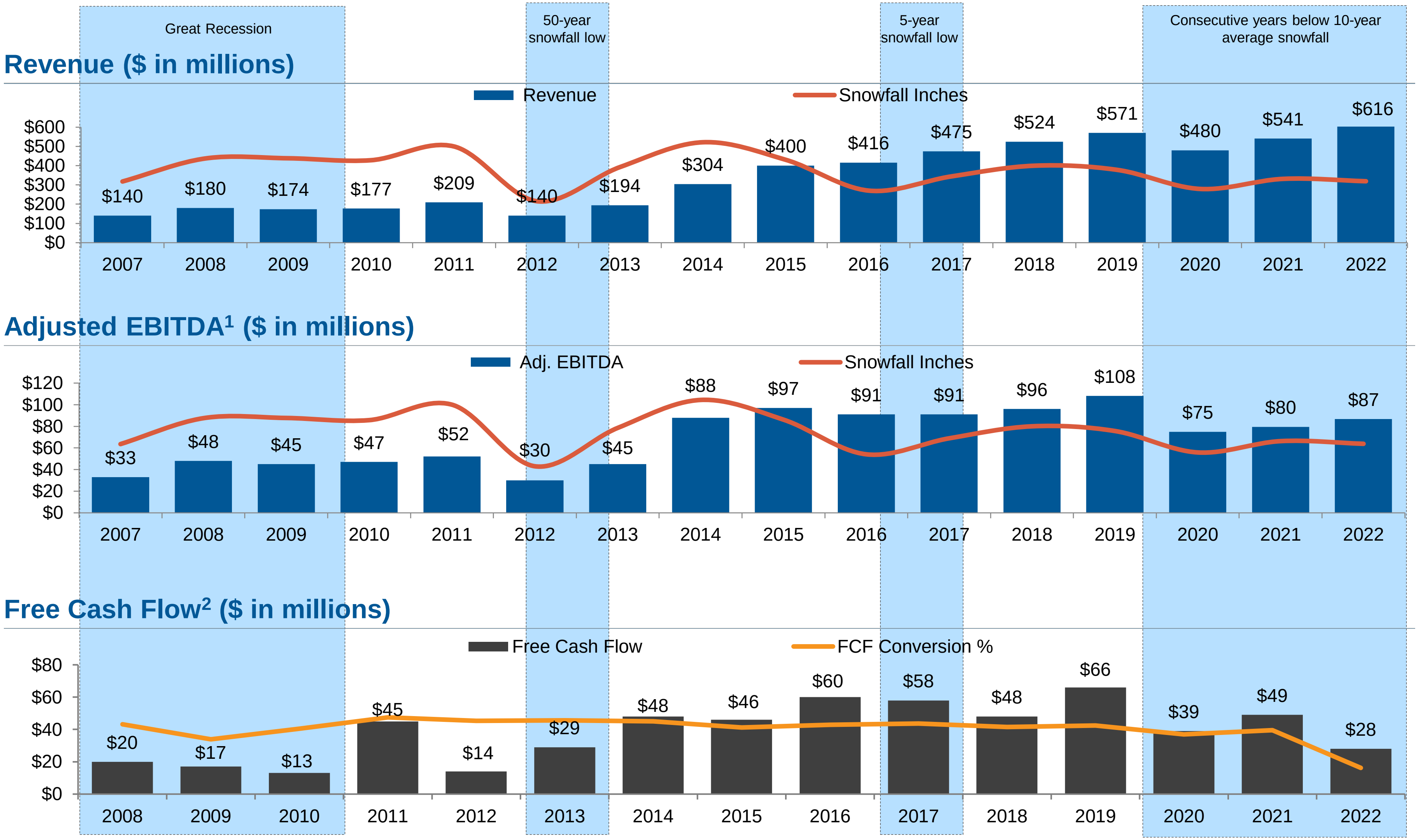
Low barrier to entry

- No upfitter needed
- Minimal complexity
- End user installation
- Lack intellectual property

DOUGLAS DYNAMICS

FINANCIAL OVERVIEW

RESILIENT BUSINESS MODEL

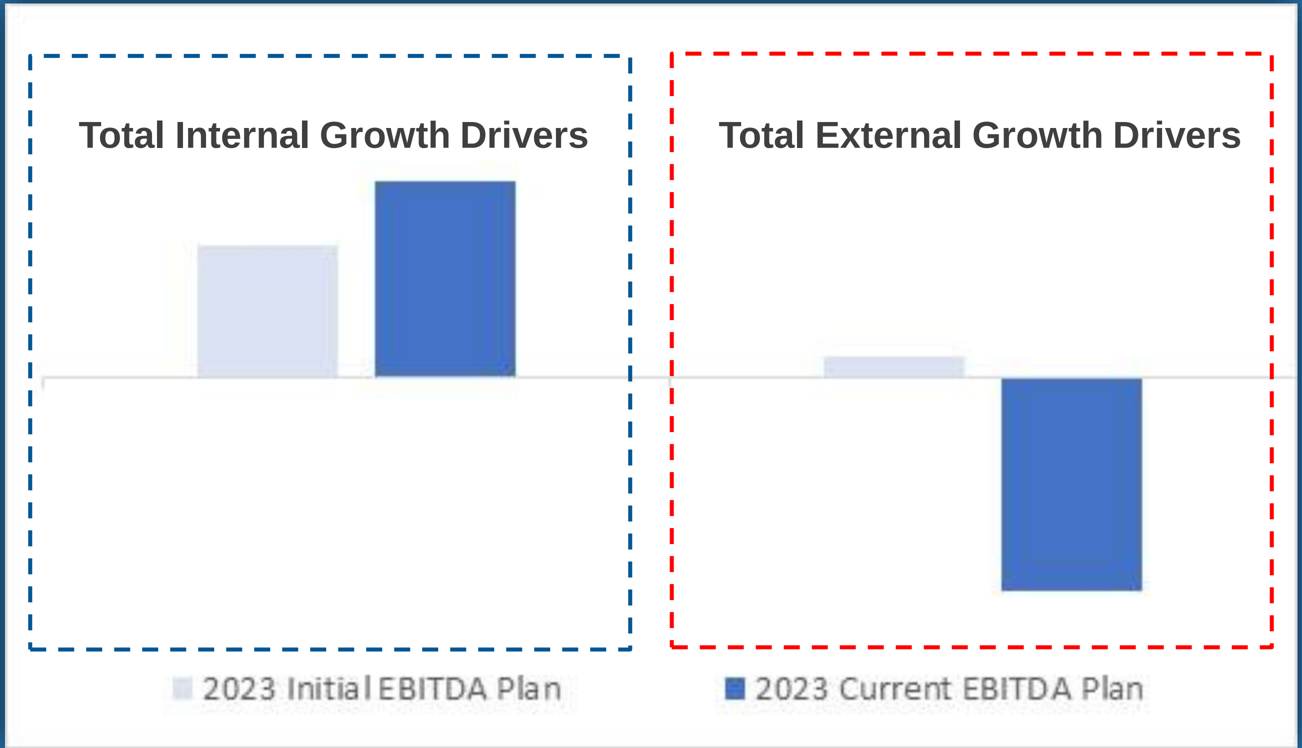


Source: Company filings

1: Non-GAAP metric is reconciled to nearest GAAP metric within the Company's 10-K as filed with the SEC as dated a 2/21/23

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

EXECUTING ON FACTORS WITHIN OUR CONTROL



- Internal Growth Drivers (including **Baseline profit improvements**, **Pricing**, **New product introductions**) are expected to come in **~50% above plan**.
- 2023 performance has been significantly impacted by **external growth drivers**, **predominantly snowfall**, and to a much lesser extent **chassis supply.**
- Record low snowfall in core east coast markets offset success with internal growth drivers.

Q3 2023 FINANCIALS

Results

- Produced Net Sales of $144.1 million
- Delivered Net Income of $5.8 million, or $0.24 of Diluted EPS
- WTS Net Sales increased approximately 18%, and Adjusted EBITDA margin improved to 7.3%
- WTA 2023 combined 2Q and 3Q results only slightly below same period of 2022 and showed improvement over same period of 2021; Also maintained 25% EBITDA margins.
- Paid $0.295 per share cash dividend

Positives

- **WTA:** Dealer sentiment and financial health remain positive.
- ‘Low Snowfall Playbook’ actions positively impacting results.
- **WTS:** Continued strong backlog and pricing recovery.
- Internal growth drivers are paying off.
- Continued baseline profit improvements in both segments.

UPDATED OUTLOOK

Updated 2023 guidance*

	Low	High
Sales	$610M	$640M
Adj EBITDA	$77M	$92M
Adj EPS	$1.30	$1.70
Tax Rate	~24%	

*Guidance assumes average snowfall for the fourth quarter 2023 and no significant changes to economic conditions or the supply of components and chassis.
2023 annual guidance was last given on October 31st, 2023, and has not been confirmed or updated since that time.

- **2023** - Adjusted guidance lower due to ongoing impact of last winter's snowfall.
- **2024** - Expected guidance likely at or better than original Feb 2023 guidance.
- Mid-point 2024 Adjusted EPS guidance likely to be ~30% higher than mid-point of current 2023 Adjusted EPS guidance.

Long-Term Target

- We believe $3.00 of Adjusted EPS remains achievable.
- External headwinds expected to push out timing.
- Guidance to be issued in February 2024.

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

Delivering Long-Term Shareholder Value

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

LONG-TERM FREE CASH FLOW SUPPORTS GROWTH STRATEGY

Average Over Past Five Years[2]:

FCF: ~$46 Million

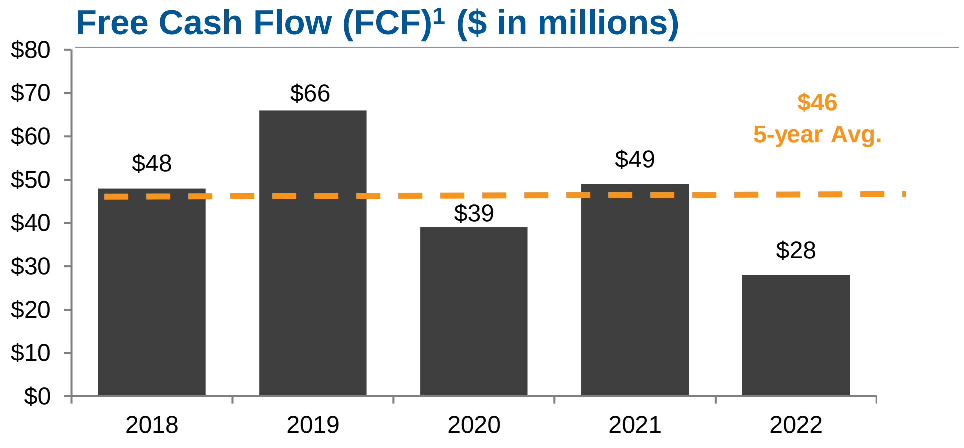
FCF as a % of Adjusted Net Income: ~110%[3]

CapEx: ~2-3% of Sales

Strong Balance Sheet

Free Cash Flow

Support Growth Plans



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 2018 through 2022
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

Maintain & Grow Dividend

- Dividend Yield = ~ 5%
- Sustainable & Growing Dividend
- 15 Dividend Increases in 13 Years

Organic Growth

- Continue Organic Investments
- Vertical Integration & New Product Introductions

Strong Balance Sheet

- Target Leverage Ratio Of 1.5X - 3.0X
- 80% of Variable Interest Risk Mitigated with Swap
- Financial Flexibility

Disciplined Acquisitions

- Capital Structure Creates Liquidity to Pursue Strategic Assets

Return Cash to Shareholders

- Initiated $50M Share Buyback in Spring 2022

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

Focused on delivering organic growth and a sustainable dividend

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