



**DOUGLAS
DYNAMICS**

INVESTOR PRESENTATION SEPTEMBER 2024

Jim Janik – Chairman, Interim President and CEO

Sarah Lauber – Executive Vice President and CFO

Nathan Elwell – Vice President, Investor Relations

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, our ability to manage general economic, business and geopolitical conditions, including the impacts of natural disasters, labor strikes, global political instability, adverse developments affecting the banking and financial services industries, pandemics and outbreaks of contagious diseases and other adverse public health developments, 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, including policy or regulatory changes related to climate change, 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 successfully implement our new enterprise resource planning system at Dejana, 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, 2023 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

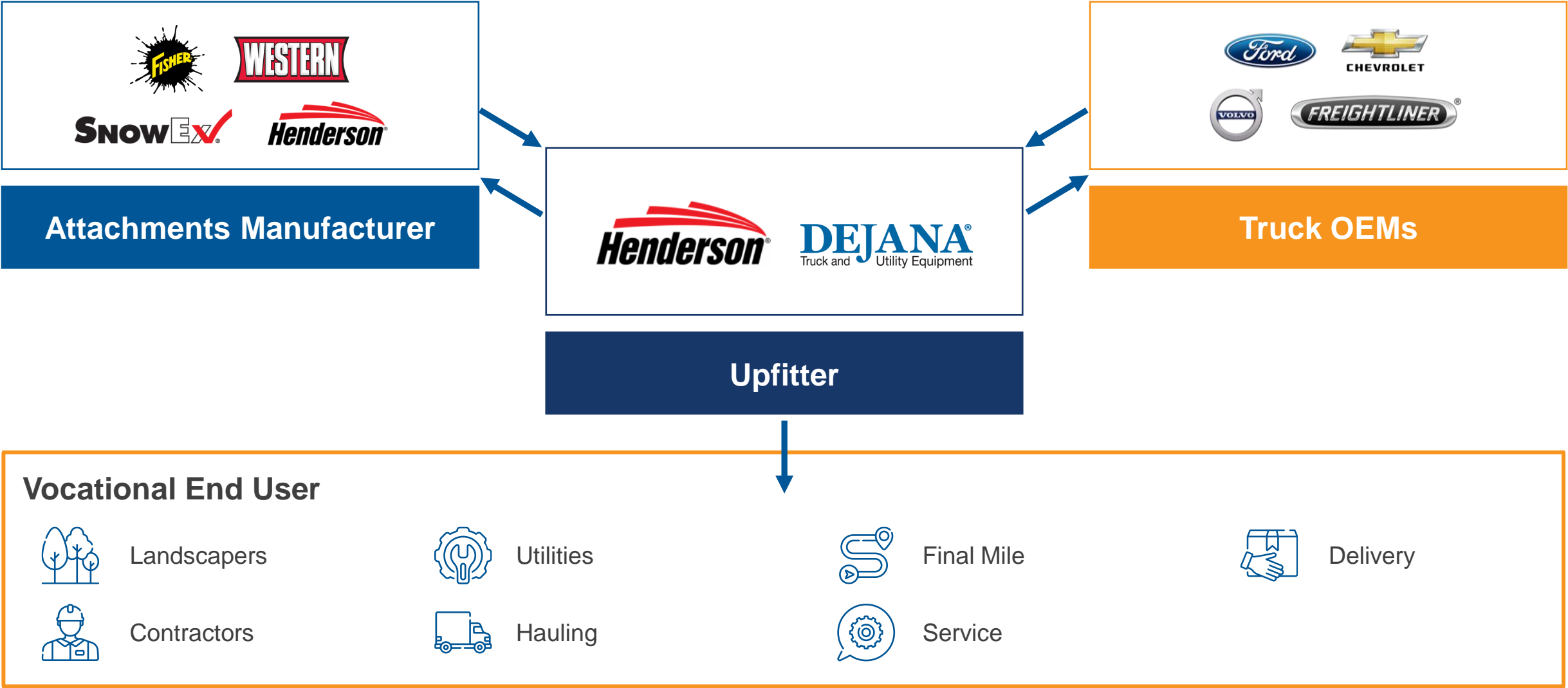


Work Truck Solutions (“WTS”)

- 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

WTS: POSITIONING FOR LONG-TERM PROFITABLE GROWTH



DEJANA[®]
Truck and Utility Equipment

Henderson[®]



Maintaining near record backlog



Demand remains solid



Expanding DDMS implementation



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



Longer term focus on reducing chassis dependency



Exploring new business lines

WTS: 2Q24 RESULTS*



Record second quarter results

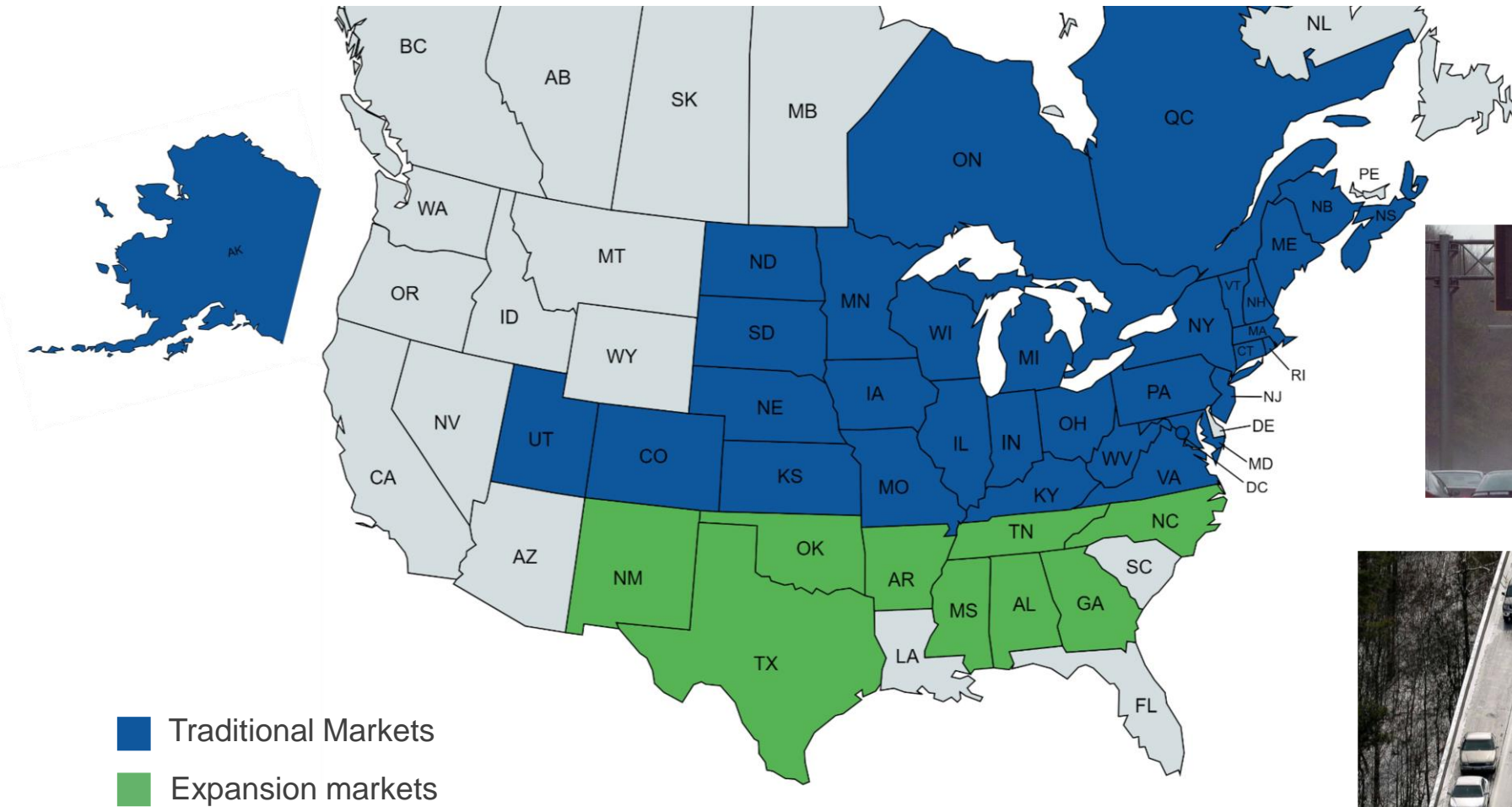
- Net Sales increased 23.8% to \$81.8 million.
- Adjusted EBITDA increased dramatically to \$7.9 million.
- Adjusted EBITDA margins of 9.7% - highest second quarter margin.
- Improvements based on improved volumes and price increase realization, as well as improved operating efficiencies, plus positive business mix.
- Demand remains positive.
- Significantly above average backlog



“I want to congratulate our teams at Henderson and Dejana on the hard work they have put in over recent years, which is now starting to pay off. These results bode well for the future and reinforce our confidence that we can achieve our growth and profitability goals in the years ahead.”
– Jim Janik, Chairman, and Interim President & CEO

*All comparisons are to second quarter 2023 financials.

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 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



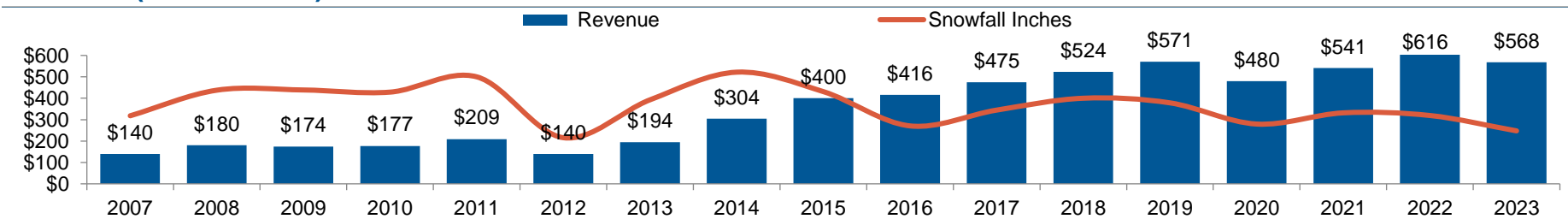
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FINANCIAL OVERVIEW

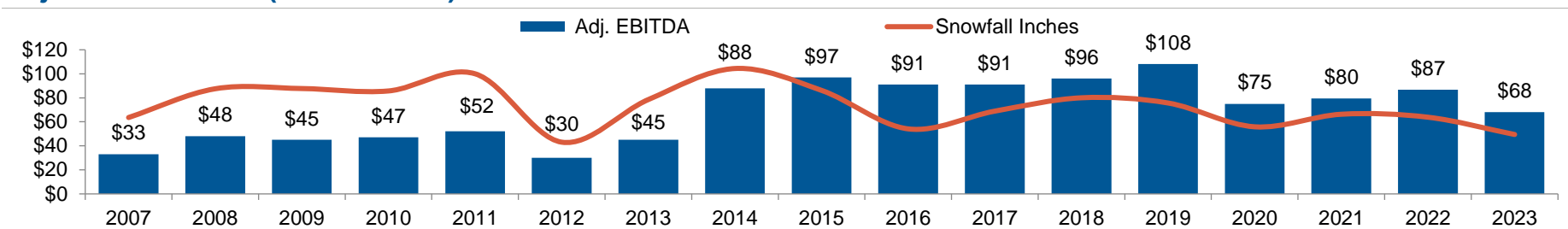
RESILIENT BUSINESS MODEL



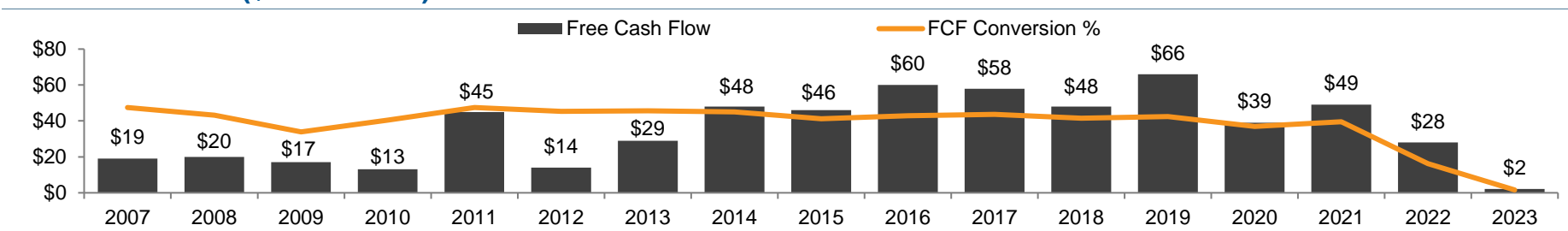
Revenue (\$ in millions)



Adjusted EBITDA¹ (\$ in millions)



Free Cash Flow² (\$ in millions)



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 2/27/24

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

Q2 2024 FINANCIALS*



Consolidated:

- Consolidated results were approximately in line with the same period last year across all metrics.
- Net sales were \$199.9, with Net income of \$24.3 million, or \$1.02 per diluted share.
- The 2024 Cost Savings Program is now expected to deliver \$11 - \$12 million in sustainable annualized savings.
- Adjusted EBITDA increased to \$43.7 million and Adjusted EBITDA margin increased 100 basis points to 21.9%.
- Paid a quarterly cash dividend of \$0.295 per share.

Segment:

- **WTA:** Net sales were \$118.1 million for the quarter, compared to second quarter 2023 Net Sales of \$141.2 million.
- Due to the successful implementation of the 2024 Cost Savings Program and favorable product mix, Adjusted EBITDA margins were 30.3%.
- **WTS:** Net Sales increased 23.8% to \$81.8 million compared to the same period last year, based on higher volumes on improved throughput and price increase realization.
- Adjusted EBITDA increased dramatically to \$7.9 million, driving margins to 9.7%.

*All comparisons are to second quarter 2023 financials.

CONFIRMED 2024 OUTLOOK



2024 Outlook

	Low	High
Sales	\$600M	\$640M
Adj EBITDA	\$70M	\$90M
Adj EPS	\$1.20	\$1.70
Tax Rate	24%	25%

The 2024 outlook and long-term financial targets assumes:

- Relatively stable economic conditions.
- Stable to slightly improving supply of chassis and components.
- Core markets will experience average snowfall in the fourth quarter of 2024.
- 2024 annual guidance was last given on July 30th, 2024, and has not been confirmed or updated since that time.

LONG-TERM FINANCIAL TARGETS



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



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

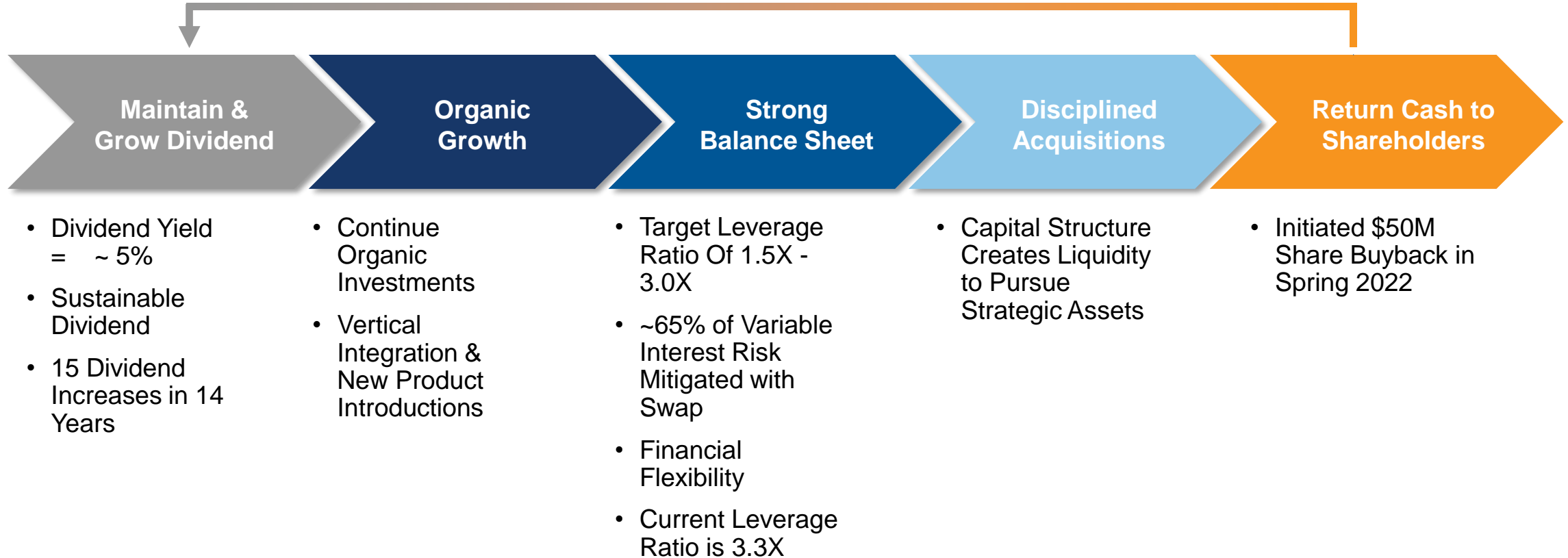
Expanding Product Portfolio / Vertical Integration

Disciplined Acquisition Strategy

Delivering Long-Term Shareholder Value

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

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

Focused on delivering organic growth and a sustainable dividend





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