

**ASV Holdings, Inc.**  
(Nasdaq:ASV)



**CHANGE THE WAY  
EVERY JOB GETS  
DONE**

As a worldwide expert in designing and producing premium, hard-working machinery, ASV gives operators the advantage they need to get more work done at every jobsite.

**May 2019**



# Forward-Looking Statements & Non-GAAP Financial Measures

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This presentation contains forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "intends" or "continue," and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. Forward-looking statements in this presentation include, without limitation: (1) projections of revenue, earnings, capital structure and other financial items, (2) statements of our plans and objectives, (3) statements regarding the capabilities and capacities of our business operations, (4) statements of expected future economic conditions and the effect on us and on dealers or OEM customers, (5) expected benefits of our cost reduction measures, and (6) assumptions underlying statements regarding us or our business.

Our actual results may differ from information contained in these forward looking-statements for many reasons, including those described in the section entitled "Risk Factors" in our Form 10-K and are available on our EDGAR page at [www.sec.gov](http://www.sec.gov). These statements are only current predictions and are subject to known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. We discuss many of these risks in greater detail under the heading "Risk Factors" and elsewhere in the Form 10-K. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by law, after the date of this presentation, we are under no duty to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.

We obtained the industry, market and competitive position data in this presentation from our own internal estimates and research as well as from industry and general publications and research surveys and studies conducted by third parties. While we believe that each of these studies and publications is reliable, we have not independently verified market and industry data from third-party sources. While we believe our internal company research is reliable and the market definitions we use are appropriate, neither such research nor these definitions have been verified by any independent source.

We from time to time refer to various non-GAAP financial measures in this presentation. We believe that this information is useful to understanding our operating results by excluding certain items that may not be indicative of our core operating results and business outlook. Reference to these non-GAAP financial measures should not be considered as a substitute for, or superior to, results that are presented in a manner consistent with GAAP. Rather, the non-GAAP financial information should be considered in addition to results that are presented in a manner consistent with GAAP. A reconciliation of non-GAAP financial measures referred to in this presentation is provided in the tables at the conclusion of this presentation.



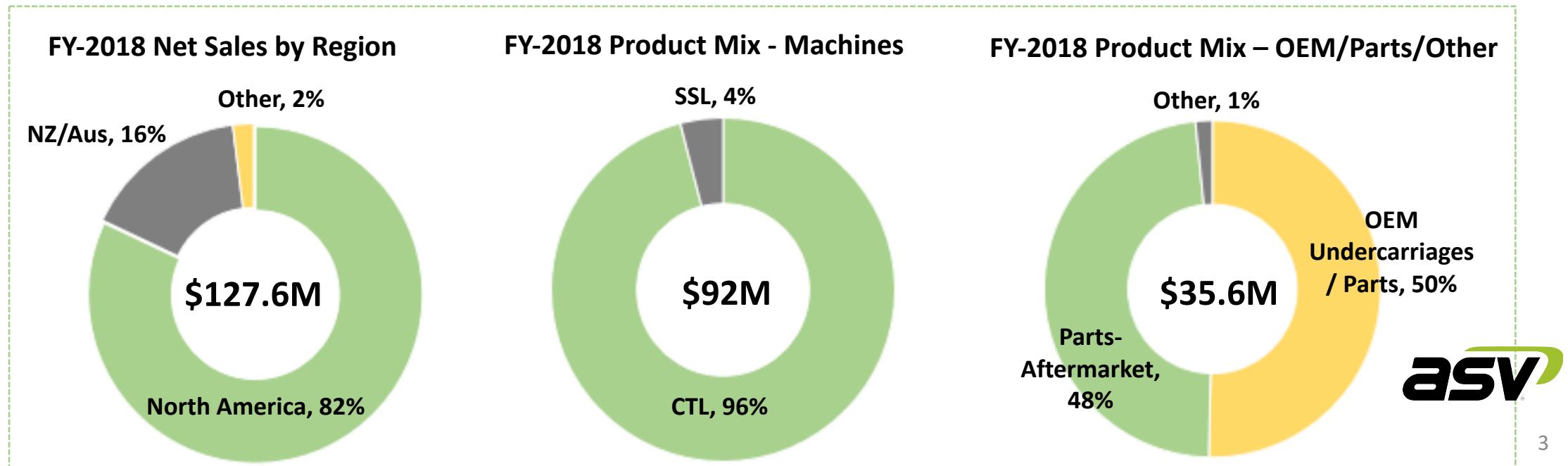
# Business Overview

ASV Holdings, Inc, vision: To be a worldwide expert in designing and producing premium, hard-working machines that change the way work gets done. We are the original in the Compact Track Loader (“CTL”) world and **we design, engineer and build our machines in Grand Rapids, MN.**

Our **high quality rubber tracked CTL and wheeled skid steer loader (“SSL”)** product lines principally serve the construction, agricultural and forestry industries. Equipment is marketed through an independent distribution network in North America, Australia and New Zealand.

Key brand attributes are Power, Performance and Serviceability. ASV CTLS are **differentiated by a proprietary multi-level suspension “Posi-Track” undercarriage system** that enables higher machine performance from higher speed and traction, operator comfort and lower ground pressure providing the lowest impact on the underlying surface.

ASV also is a **private label original equipment manufacturer (“OEM”)** for several manufacturers, **including a limited version of our assembled undercarriage sets to Caterpillar** for machines marketed as multi-terrain loaders under the CAT brand.



# Investment Thesis

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- Large and growing market.
  - North American total CTL market sales of approximately \$1.9B (or approximately 46,000 new machines).
  - CTL market CAGR anticipated to be 6.7% from 2016 through 2021.<sup>(1)</sup>
  - Privately-owned housing starts of 1.3 million in 2018 still well below the historic 50+ year level of 1.5 million.<sup>(2)</sup>
  - The total value of U.S. construction spending in 2018 was \$1,297.7B, 4.1% above the \$1,246.0B spent in 2017.<sup>(2)</sup>
- High margin recurring parts revenues account for 20% - 30% of annual sales.
- Executive management averages more than 20 years of industrials sector experience.
- New, proprietary product lines providing competitive market differentiation.
- North American distribution network growing rapidly; as of year-end 2018, at 90% of last peak-level
- \$8.2M FY-2018 Adjusted EBITDA with sales growth and margin expansion expected in 2019.

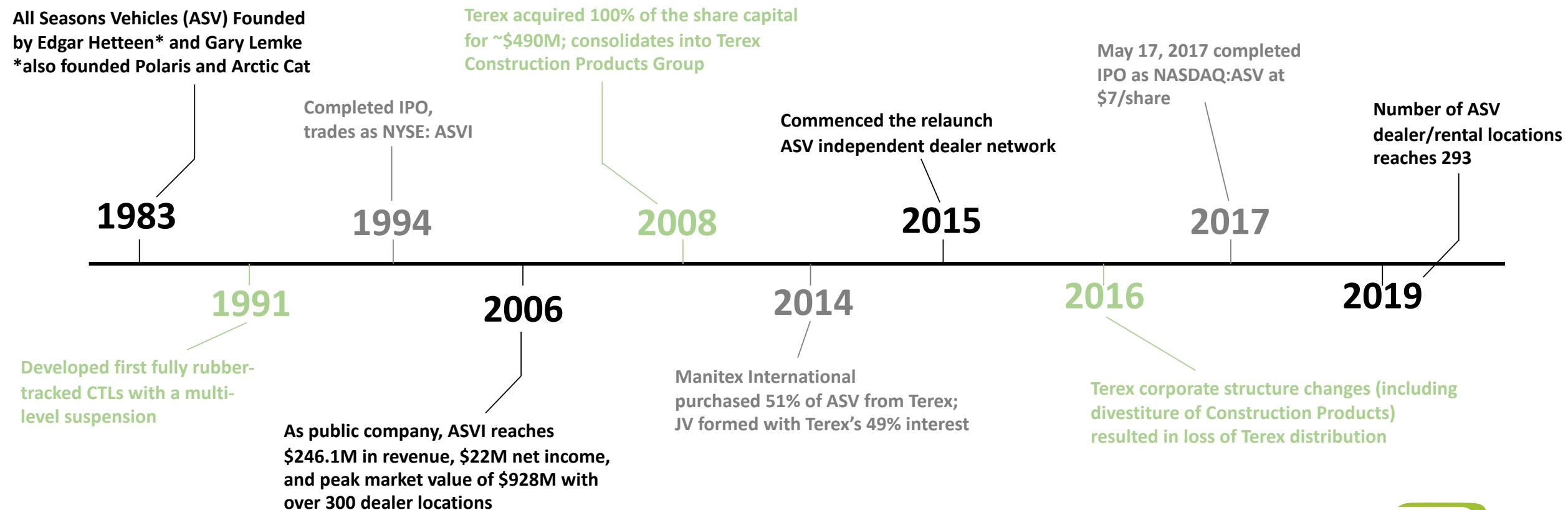
*\*Peak Sales of \$246.1M in 2006 with \$25M in EBITDA and 300 dealer locations*

Sources: (1) Yengst Associates, Nov 2017; (2) U.S. Census Bureau Feb/Mar 2019



# Our History

Since our founding in 1983, a lot has happened – here are a few highlights:



# Financial Summary

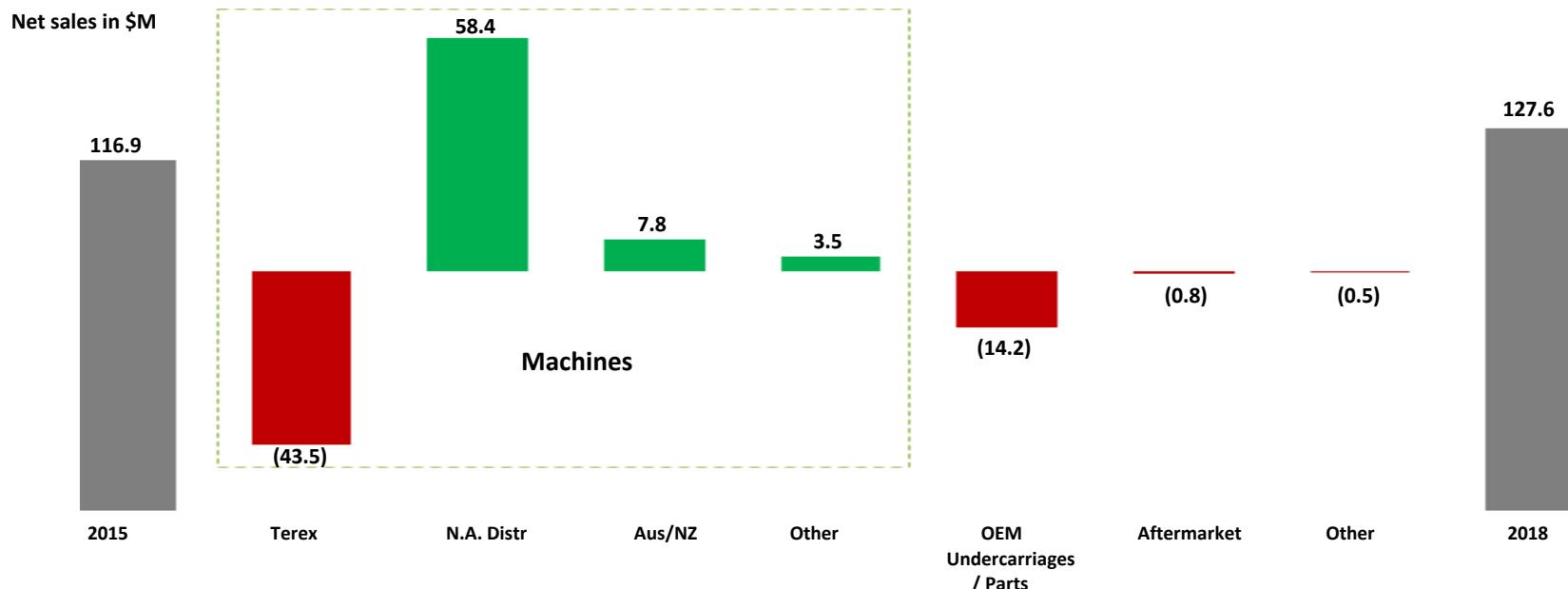
USD millions	FY2018	FY2017	FY2016	FY2015
Net sales	127.6	123.3	103.8	116.9
Gross profit percent	11.9%	15.1%	15.8%	14.5%
Pro-forma adjusted EBITDA*	8.2	10.1	7.8	9.7
Pro-forma adjusted EBITDA % of sales*	6.4%	8.2%	7.5%	8.3%
Pro-forma adjusted net income*	1.2	2.5	(1.2)	(0.9)
Working capital % of sales	25.1%	23.6%	31.6%	29.0%

## Key statistics – May 2, 2019

Stock Price	\$2.30/share
Market Cap	\$22.8M
Total Ent. Value	\$53.4M
Diluted shares	9.9M
Ticker/exchange	ASV/NasdaqCM

\*Pro forma adjustments related to public company costs 2017: \$0.6M, 2016 and 2015: \$1.5M and “C” corporation tax in 2015 & 2016

## 3 Year Sales Bridge: FY-2015 to FY-2018



# Q1-2019 Summary of Financial Highlights

## Highlights:

- Net sales down 8.5%
- Total machine sales decline of 12%
- North America machine sales decline of 6%
- Same dealer sales decline of 10%

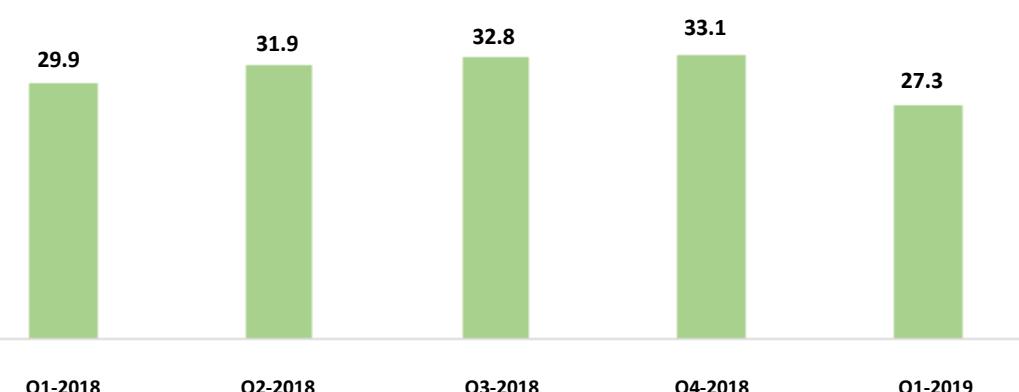
(\$M except EPS)	FIRST QUARTER	
	2019	2018
Net Sales	\$27.3	\$29.9
Adjusted EBITDA	\$1.1	\$2.0
Adjusted (loss) EPS	\$(0.07)	\$0.02

## Key Messages:

- Lower sales revenues from slow start, weather related, in North America and slower economy in Australia.
- Engine challenges remained, but deliveries for new RT-65 arrived late in month. Still expect resolution by end of Q2-2019.
- Pricing actions offset material costs and cost reductions kicked in leading to improvement in gross margin to 12.6%.
- Added a net 7 dealer/rental locations in the quarter. Received good responses to attendance at AED and ARA in February, with promising pipeline of new dealer rental prospects for Q2-2019.
- Net debt increase from higher working capital in lower activity quarter. Repaid \$0.5 million term loan principal, and will make excess cash flow payment in Q2.

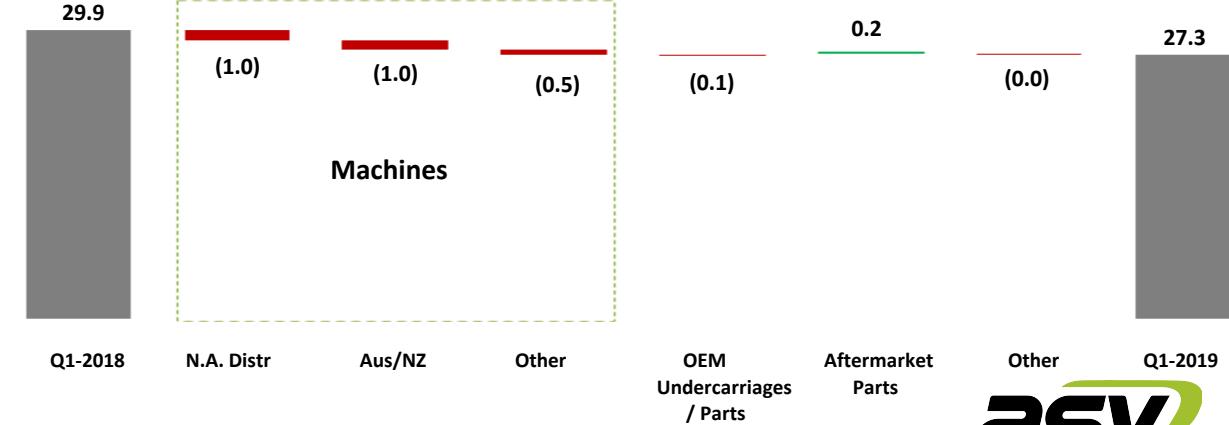
Net sales in \$M

### Quarterly Sales Trend



Net sales in \$M

### Sales Bridge: Q1-2019 vs. Q1-2018



# Recent New Products Launched

## Compact Track Loaders

In 2018, ASV introduced three new Posi-Track® machines:

RT-25\*, "The World's Most Compact Track Loader"

RT-40\*, "Innovative Iron Award 2018"

RT-65, first orders shipped Feb 2019

**RT-25**  
Perkins | T4F  
Radial  
24.7 hp / 665  
lbs.



\*ASV's **RT-25** and **RT-40** machines have recently been recognized as "the **most impressive** equipment and technology released in the compact category in 2018" by Compact Equipment Magazine - November/December 2018 Print Issue

**RT-40**  
Kubota | T4F  
Radial  
37.5 hp / 931  
lbs.



**asv**

# RT-25 is the World's Most Compact Track Loader

48-inch width, 72.5-inch height

Easily transported



Great for landscapers, rental and contractors



Faster than stand-ons



Attachment-ready

Low ground pressure



ASV RT-25: 1-rotation



Competitor: 1-rotation

Year-round use



ASV RT-25: 30-rotations

Minimal ground disturbance



# Our Product – Compact Track Loaders

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Model	VT-70	RT-75	RT-75HD	RT-120	RT-120F
Engine Type	Kubota	Cummins	Cummins	Cummins	Cummins
Emissions	T4F	T4F	T4F	T4F	T4F
Lift Arm Design	Vertical	Radial	Radial	Radial	Radial
HP / ROC	65 hp / 2328 lbs.	74 hp / 2650 lbs.	74 hp / 2650 lbs.	120 hp / 3535 lbs.	120 hp / 3535 lbs.

## International Track Loaders

Model	RT-30	RT-50	RT-60
Engine Type	Perkins	Perkins	Perkins
Emissions	T4I	T4I	T4I
Lift Arm Design	Radial	Radial	Radial
HP / ROC	32.7 hp / 665 lbs.	50 hp / 1600 lbs.	60 hp / 1900 lbs.



# Patented “Posi-Track” Undercarriage – CTLs

	<b>ASV Patented Posi-Track</b>	<b>Industry Standard Steel Track</b>
<b>Drive System</b>	Patented low-friction internal drive system	Steel on steel fixed external drive sprocket
<b>Suspension</b>	Patented multi-level suspension provides for a smoother ride for operator	Rigid undercarriage fixed directly to machine chassis
<b>Ground Contact</b>	Multiple ground contact points, with rollers that move independently <ul style="list-style-type: none"><li>• Lower ground pressure</li><li>• Improved traction</li><li>• Less ground disturbance under tracks</li></ul>	Limited number of rollers, rigid welded casement
<b>Tracks</b>	Lighter pure rubber tracks <ul style="list-style-type: none"><li>• Speeds as high as 11mph</li><li>• Typically last longer than steel embed tracks</li></ul>	Steel embed tracks with steel on steel contact <ul style="list-style-type: none"><li>• Typical speeds of 6-8mph</li></ul>



# Our Product – Skid Steer Loaders

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Model	RS-75	VS-75
Engine Type	Deutz	Deutz
Emissions	T4F	T4F
Lift Arm Design	Radial	Vertical
HP / ROC	74 hp / 2600 lbs.	74 hp / 3500 lbs.

## International Skid Steer Loaders

Model	RS-50	RS-60	VS-60
Engine Type	Perkins	Perkins	Perkins
Emissions	T4I	T4I	T4I
Lift Arm Design	Radial	Radial	Vertical
HP / ROC	50 hp / 1650 lbs.	60 hp / 2000 lbs.	60 hp / 2300 lbs.



# The Brand - for Power, Performance and Serviceability

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**ASV builds machines of maximum power, torque, speed, ground clearance, traction and reliability with minimum maintenance requirement and impact on the ground we shape.**

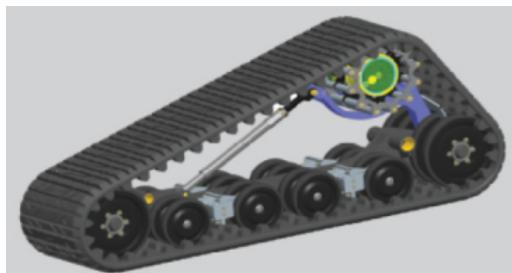


## Power:

- Machines > 70HP - Cummins Diesel Power Plants provide **best-in-class power, torque and reliability**.
- **Best-in-class hydraulic systems** coupled with **unparalleled engine and hydraulic cooling capacities**, the RT-120 & RT-75 are capable of driving the largest attachments in their class around the clock without bogging down or overheating.

## Performance:

- Dual suspension undercarriages on large frames, single suspension on mid and small frames; ASV offers the **most comfortable ride** on the roughest terrain.
- **Patented track design prevents track derailment in even the most severe conditions.**
- ASV offers the smallest, most nimble CTL on the market. The RT-25 and RT-40 are designed with suspension, traction, low ground pressure and industrial grade characteristics of the larger machines, yet in a smaller package allowing machine access to tighter spaces significantly improving job site efficiency.



## Serviceability:

- Best-in-class designs for **easy access and speed of maintenance**
- Significant **time and cost saving** compared to competition



# Go-to Market Strategy

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## North America:

- Dealers (new, rental, new and rental) of construction, agriculture, forestry and landscaping, road building equipment; there are 1,000s of equipment dealers, nationwide
  - Typically dealers choose one or two vendors per product category
  - Products are sold/rented at dealer locations and on their websites to a diverse group of users including contractors, commercial and private users
  - MSRP for new equipment ranges from \$43,000-\$125,000 depending on features and capacity
- Direct OEM sales of undercarriages to Caterpillar and equipment to others for private label and branded equipment solutions

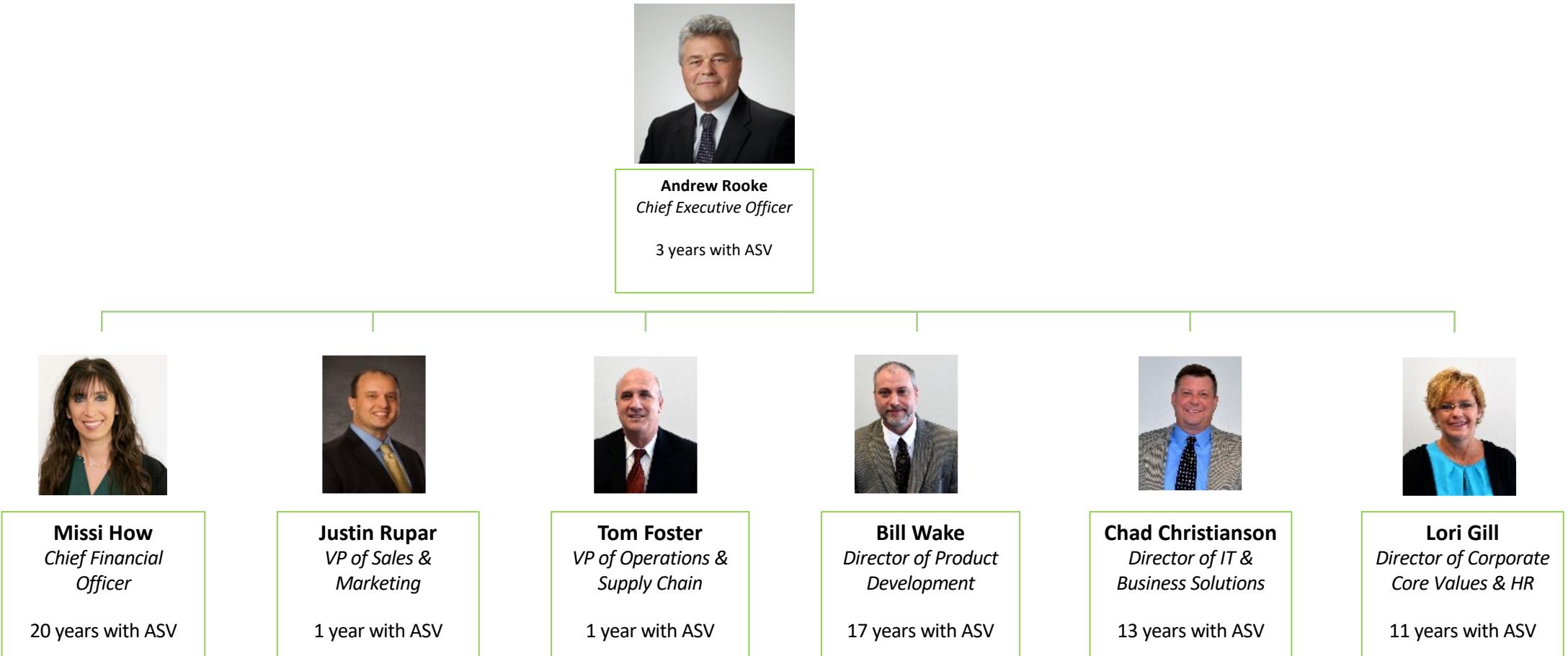
## Australia and New Zealand:

- Australian sales through master distributor and a strategic account network
- New Zealand dealer network



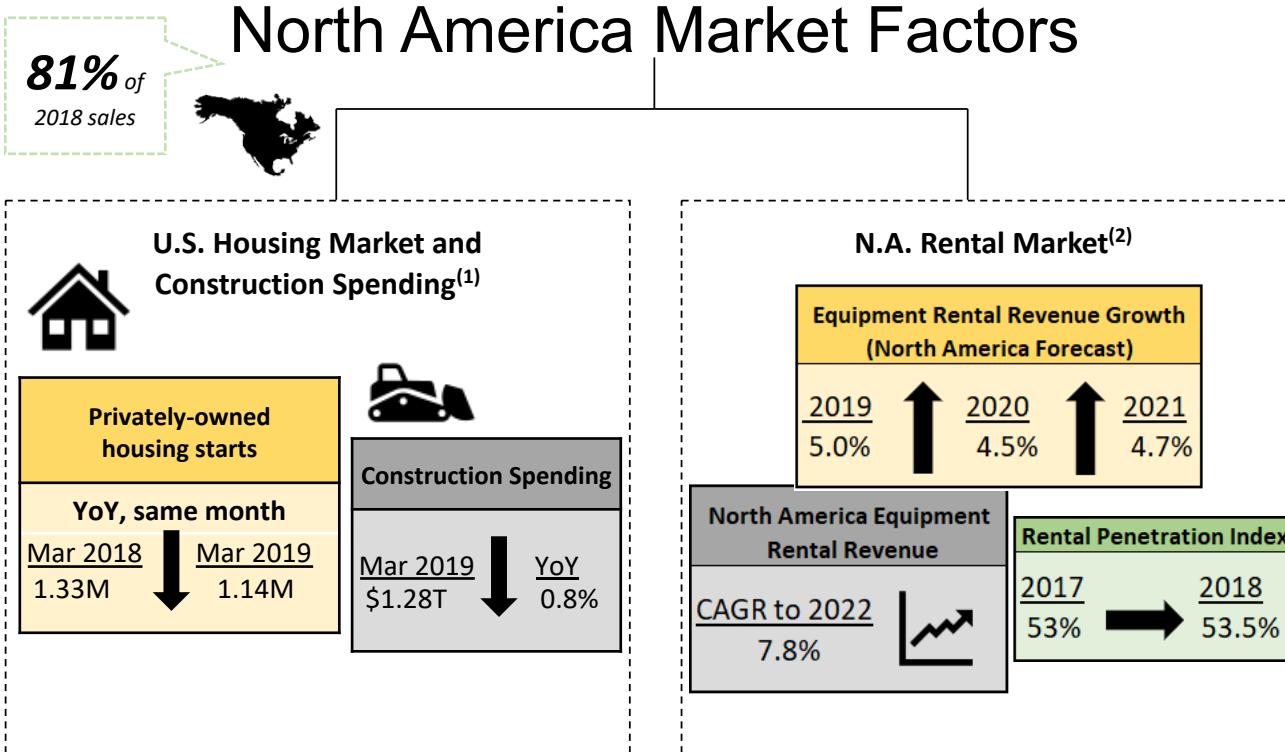
# Management Team

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# Industry and Market Overview

## North America Market Factors



- N.A. rental still strong, forecasting 5% growth in 2019
- U.S. residential housing slowed in Q4-2018 continued into Q1-2019
- Adverse weather affected much of U.S. in early 2019

Sources: (1) U.S. Census Bureau Apr/May'19\* | (2) American Rental Association (ARA) Feb'19\*\* | (3) Australian Bureau of Statistics Mar'19\*\*\* | (4) Australian Broadcasting Corporation Sept'18/Mar'19 News Releases

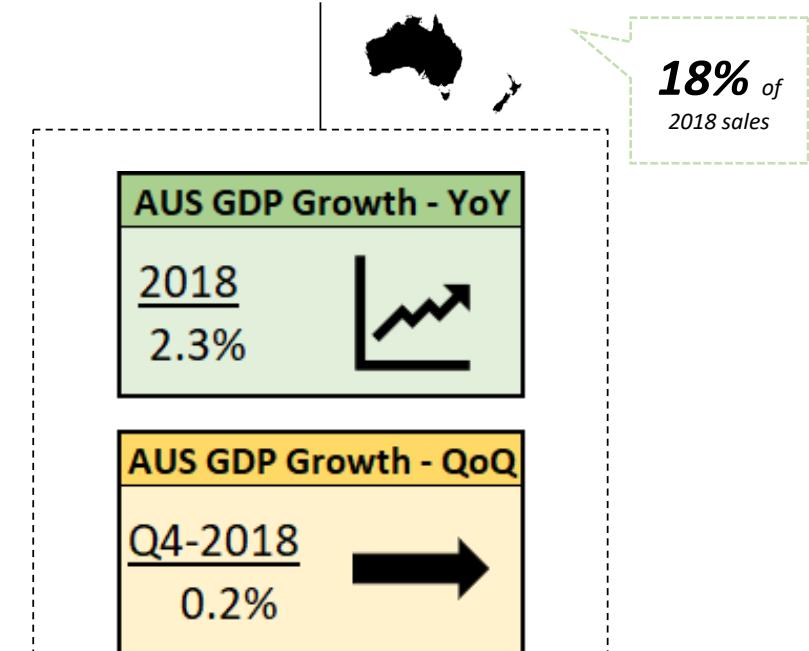
\* Housing Market: Privately-owned housing starts in March were at a seasonally adjusted annual rate of 1,139,000. This is 14.2% below the March 2018 rate of 1,327,000.

\*\* U.S. Construction Spending: During the first three months of this year, construction spending amounted to \$277.7B, 0.2% below the \$278.3B for the same period in 2018.

\*\*\* N.A. Rental Market: The five-year forecast from ARA's Rental Market Monitor, updated in March 2019, predicts N.A. construction and industrial equipment rental revenue to grow by 5.0% in 2019 to reach \$43.5 billion, 4.5% in 2020, 4.7% in 2021 and 4.0% in 2022 resulting in a CAGR of 7.8% to 2022.

\*\*\*\* Australia's gross domestic product (GDP) grew by 0.2% in the December quarter 2018, following a 0.3% rise in the September quarter. The Australian economy grew 2.3% through the year.

## Australia Market Factors<sup>(3)</sup>



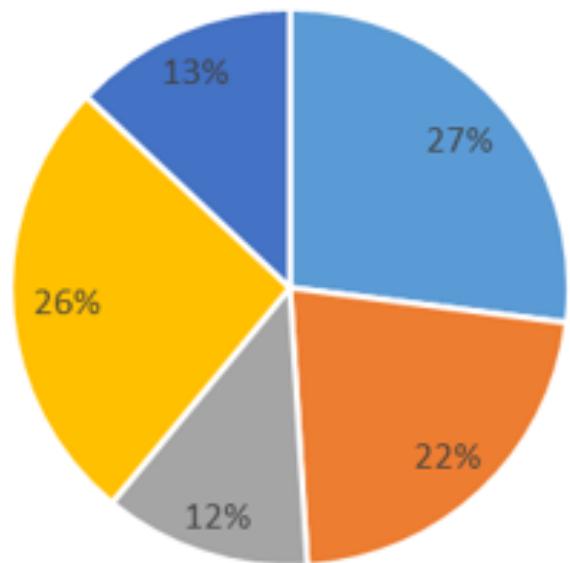
"At June 2018, Australia saw the fastest annual rate of growth (3.4%) since September 2012, but experienced economic slowdown in the last half of the year"<sup>(4)</sup>



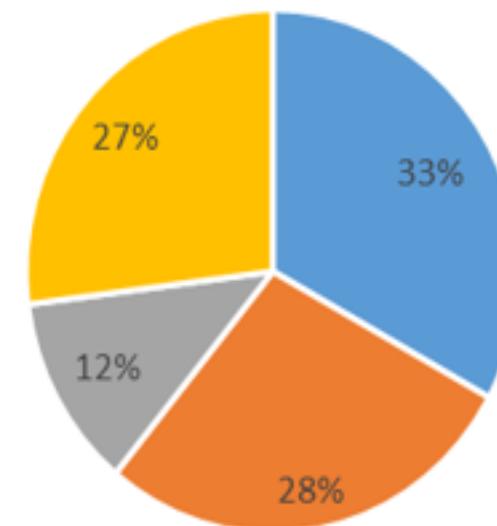
# User Application – North America Markets

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**CTL Market**



**SSL Sales**



■ Rentals ■ Agriculture ■ Landscaping ■ General Construction ■ Other

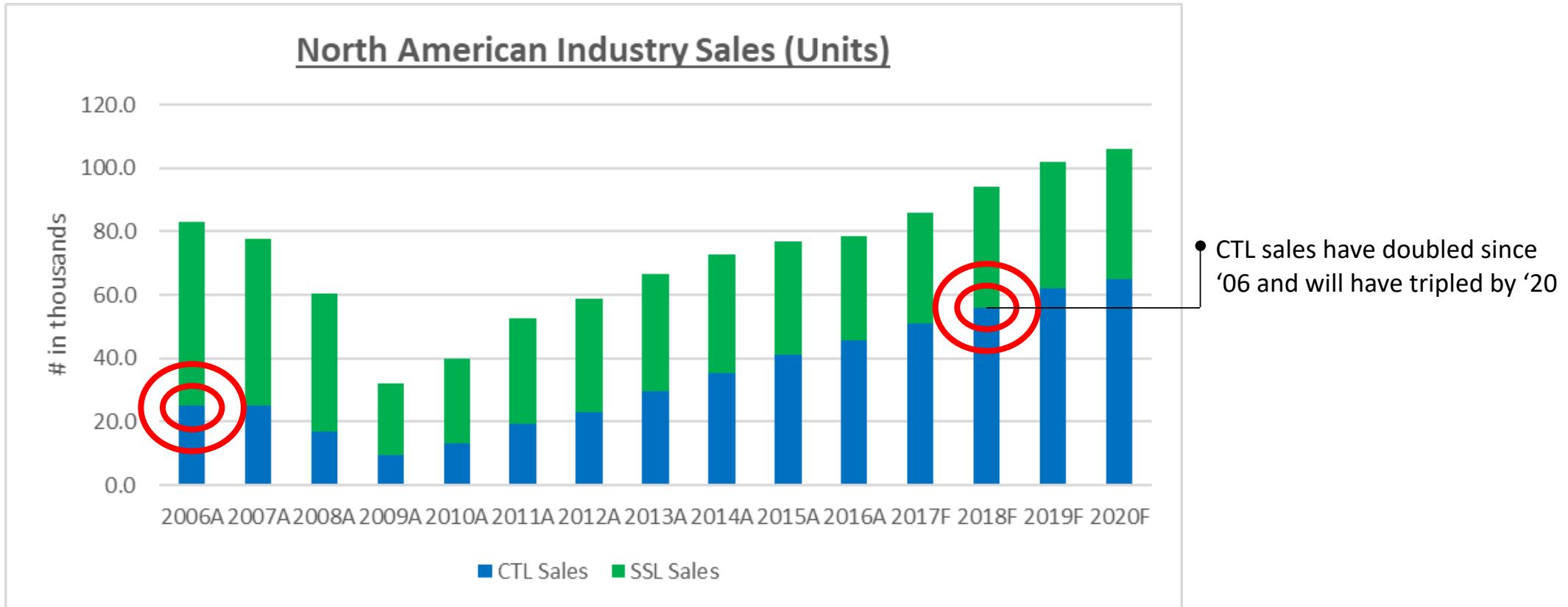
■ Rentals ■ Agriculture ■ Landscaping ■ General Construction & Other

Sources: Yengst Associates, Equipment Analysis, North America, Skid Steer Loaders (July 2016)

Yengst Associates, Equipment Analysis, North America, Compact Track Loaders (July 2016)



# Market for CTLs and SSLs



- CTLs outsold SSL in 2015 and 2016
- CTL 2016-2021 CAGR of 6.7%

Top competitors in the category by 2016 market share include CAT, Case/New Holland, Kubota, Doosan/Bobcat, John Deere, Takeuchi

Sources: Yengst Associates, Equipment Analysis, North America, Skid Steer Loaders (July 2016)

Yengst Associates, Equipment Analysis, North America, Compact Track Loaders (July 2016)



# Growth Strategy 2018 to 2022

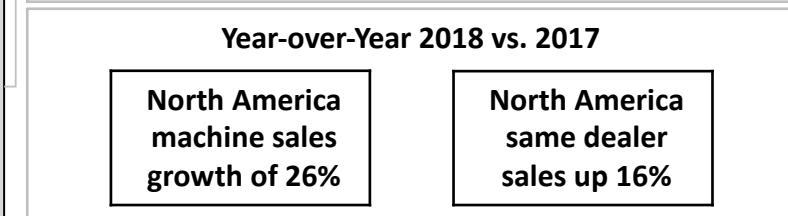
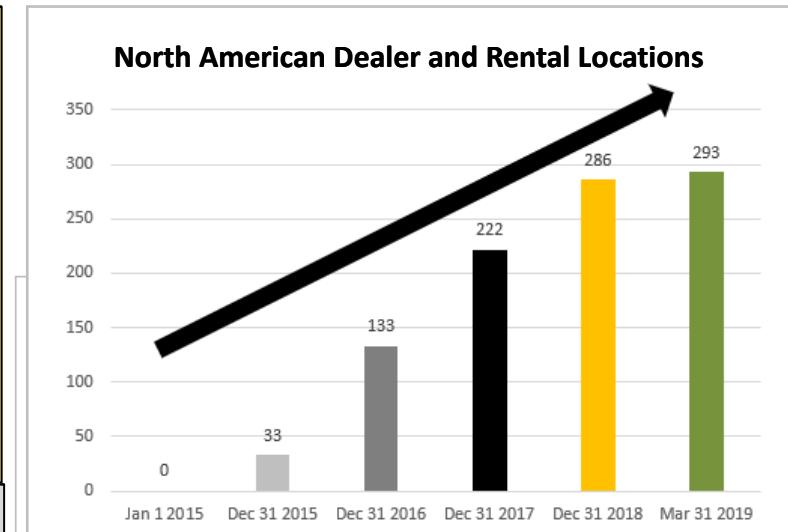
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- Add additional retail distribution locations, principally North America.
- Expand penetration of rental channel, large national corporates and smaller local players. Grow to 25% of machine sales.
- Maximize sales throughput of retail dealer locations.
  - Manage the dealer network and motivate dealers.
  - Increase percentage achieving target rate of sales turns.
- Expand gross and EBITDA margins to 18% and 12%, respectively.
- Introduce great new products.
- Expand aftermarket sales.
- Acquire complementary businesses to accelerate top- and bottom-line growth.



# ASV Strategic Growth Drivers

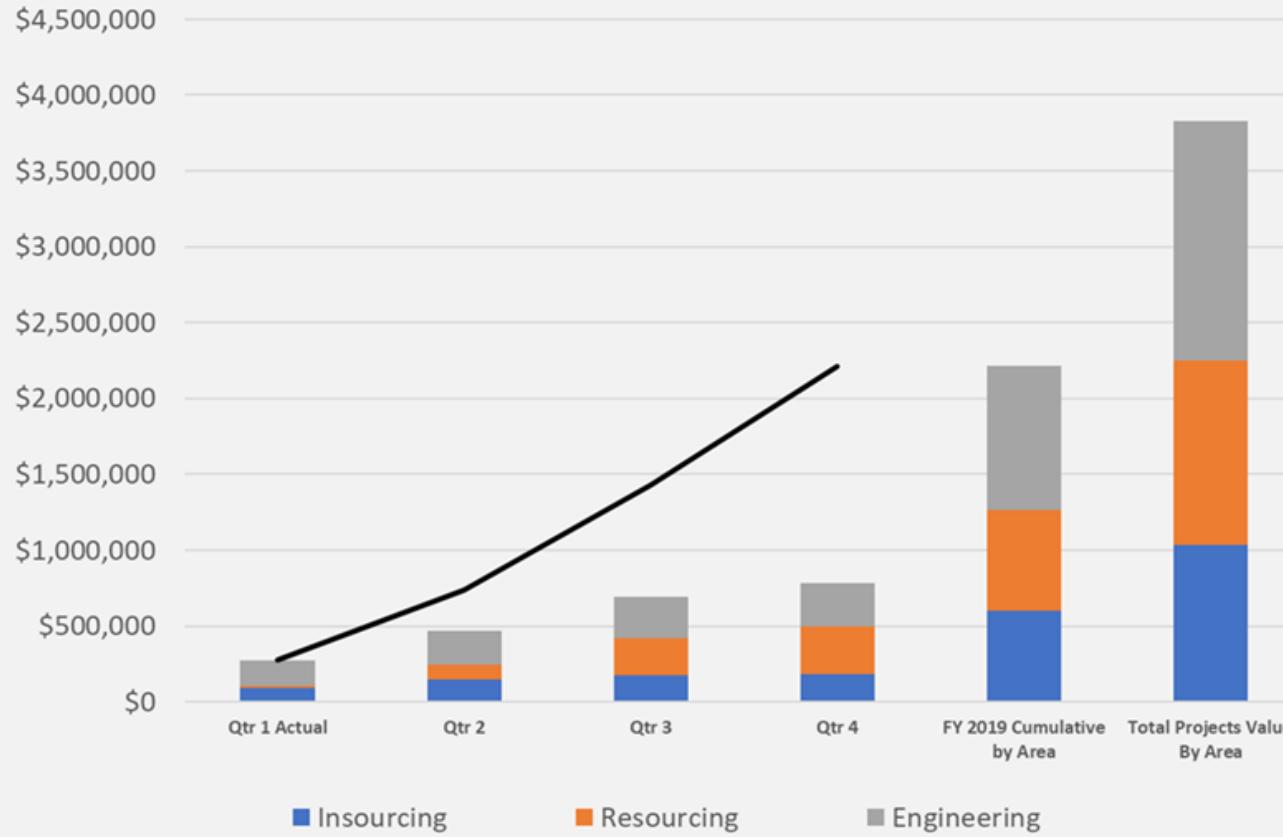
<b>Focus:</b> Enhance tools and processes to increase dealer network performance  	<b>Action:</b> Strengthen sell through rate  Dealer support and management  Driving retail opportunities to dealers  Aftermarket support	<b>Outcome:</b> Launched new brand materials; videos, dealer marketing material. Dealer day set for 2019.  New dealer programs, marketing support, incentives for 2019. Introduced regionally located dealer training.  Launched new customer focused ASV website, receiving increased visitors and lead generation.  Distribution Center achieved operational performance improvements. Released ASV branded aftermarket track to dealers.
Expand North America dealer and rental network  	Foundation for growth: Penetrate new and rental dealer distribution  Continue growth with existing dealers	Added 7 net new dealer/rental locations in Q1-2019  In Q1-2019, approximately 27.5% of active North American dealer locations achieved target rate of sales turns
New product development	Continuous product improvement to provide most complete market leading selection of product with ASV "DNA"	Introduced <b>three</b> new Posi-Track® machines RT-25* increased shipping to rental channel in Q1/Q2-2019 RT-40* all weather cab launches May 2019 RT-65 (at right), first shipments commenced late Q1-2019



\*Compact Equipment Magazine – November/December 2018 Print Issue: Recognized ASV's RT-25 and RT-40 machines as "the **most impressive** equipment and technology released in the compact category in 2018".

# Margin Expansion

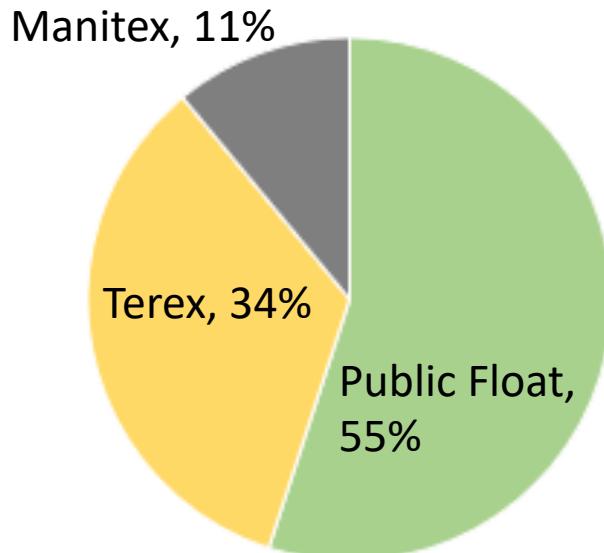
FY2019 Cost Reductions Impact - Timing/Valuation



- Exceeded Q1-2019 target by 12.5%
- Plan to fully offset impact of 2018 increased material costs, with:
  - Steel surcharge pricing effective May 2018 and price increases of 3.0% - 3.5% effective Q1-2019.
- Rigorous cost structure improvement
  - Manufacturing cost improvements of greater than \$3M in 2019.
  - Strategic re-sourcing/in-sourcing & product cost engineering.

# Ownership Structure March 2019

	<u>Pre Deal Ownership</u>	<u>Pre Deal Shares</u>	<u>Shares Sold in IPO</u>	<u>Post Deal Shares</u>	<u>Current Ownership</u>	<u>Current Ownership</u>
Public Ownership	0%	--	1,800,000	4,370,000	5,370,000	55%
Terex (NYSE:TEX)	49%	3,920,000	570,000	3,350,000	3,350,000	34%
Manitex (NASDAQ:MNTX)	51%	4,080,000	2,000,000	2,080,000	1,080,000	11%
<b>Total</b>	<b>100%</b>	<b>8,000,000</b>	<b>4,370,000</b>	<b>9,800,000</b>	<b>9,800,000</b>	<b>100%</b>



# Appendix

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# Key Figures: Q1-2019

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USD millions except per share	Q1-2019	Q1-2018
Net sales	27.3	29.9
% change in 2019 to prior period		(8.5%)
Machine sales	18.7	21.2
Net loss	(0.7)	(0.3)
Loss per share	\$(0.07)	\$(0.03)
Adjusted net (loss) income*	(0.7)	0.2
Adjusted (loss) earnings per share*	\$(0.07)	\$0.02
EBITDA	1.0	1.3
Adjusted EBITDA*	1.1	2.0
Adjusted EBITDA % of sales	4.2%	6.7%

\*As adjusted. See reconciliation to US GAAP on appendix



# Operating Performance

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USD millions	Q1-2019
2018 net sales	29.9
Volume/mix	(4.0)
Price	1.4
2019 net sales	27.3

USD millions	Q1-2019
2018 net loss	(0.3)
Gross margin from volume/mix	(0.4)
Input cost inflation	(1.0)
Pricing recovery	1.4
Cost of moving parts distribution in Q1 2018	0.6
Cost reduction initiatives	0.3
Under absorption of costs and plant inefficiencies*	(0.8)
Q1 2018 favorable benefits realized	(0.6)
Operating expenses	0.3
Interest expense	(0.1)
Income tax	(0.1)
2019 net loss	(0.7)

\* A result of lower volume and continued engine supply constraints



# Key Balance Sheet/Liquidity Ratios

	March 31, 2019	December 31, 2018	Credit Facility and Debt USD millions	Facility amount	Net debt as of 3/31/2019	Weighted average interest rate <sup>1</sup> at 3/31/2019
Current ratio	2.3	2.0				
Net working capital % of annualized LQS	34.6%	25.1%				
Days sales outstanding	42	44				
Days payables outstanding	49	49				
Days inventory on hand	145	103				
Net debt	\$33.8M	\$28.9M				
Net debt/adjusted EBITDA	x4.6	x3.5				
			Revolving credit facility	35.0	22.4	5.5%
			Minnesota state loan	0.4	0.4	
			Term loan	15.0	12.2	7.7%
			Subtotal	50.4	35.0	
			Cash	—	1.2	
			Total	50.4	33.8	
			Operating lease liabilities		1.0	
			Net debt including leases		34.8	
			Net debt/adjusted EBITDA <sup>2</sup>		X4.6	

**Net working capital as a % of annualized last quarters sales** is the sum of accounts receivable and inventory less accounts payable divided by the last quarters sales annualized (x4).

**Net debt** is calculated as outstanding principal balance less debt issuance costs, less cash on hand, and does not include operating lease liabilities unless stated.

**Days sales outstanding** is calculated by taking the sum of net trade and related party receivables divided by annualized sales per day (sales for the quarter, multiplied by 4, and the sum divided by 365).

**Days payables outstanding** is calculated by taking the sum of net trade and related party payables divided by annualized cost of sales per day (cost of goods sold for the quarter, multiplied by 4, and the sum divided by 365).

**Days inventory on hand** is calculated by dividing total inventory by cost of goods sold for the referenced three-month period multiplied by 4, and the sum divided by 365 days

<sup>1</sup> Weighted average cost of debt at March 31, 2019 was 6.3%

<sup>2</sup> TTM Adjusted EBITDA at March 31, 2019 of \$7.3M



# Non-GAAP Measures and Reconciliations

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## Cautionary Statement Regarding Non-GAAP Measures

In an effort to provide investors with additional information regarding the Company's results, ASV refers to various GAAP (U.S. generally accepted accounting principles) and non-GAAP financial measures which management believes provides useful information to investors. These non-GAAP measures may not be comparable to similarly titled measures being disclosed by other companies. In addition, the Company believes that non-GAAP financial measures should be considered in addition to, and not in lieu of, GAAP financial measures. ASV believes that this non-GAAP information is useful to understanding its operating results and the ongoing performance of its underlying businesses. Management of ASV uses both GAAP and non-GAAP financial measures to establish internal budgets and targets and to evaluate the Company's financial performance against such budgets and targets.

This release contains references to Adjusted Net (Loss) Income, "EBITDA" and "Adjusted EBITDA." Adjusted Net (Loss) Income is defined as GAAP net income that excludes the gain or loss related to non-recurring events. Adjusted net income per share or "Adjusted EPS" is calculated by dividing the Adjusted Net Income (Loss) for the period by the weighted-average diluted shares outstanding for the period. EBITDA is defined for the purposes of this release as net income or loss before interest, income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA plus stock-based compensation, less the gain or loss related to non-recurring events. Management believes that EBITDA and Adjusted EBITDA are useful supplemental measures of our operating performance and provide meaningful measures of overall corporate performance exclusive of our capital structure and the method and timing of expenditures associated with building and placing our products. EBITDA is also presented because management believes that it is frequently used by investment analysts, investors and other interested parties as a measure of financial performance. Adjusted EBITDA is also presented because management believes that it provides a measure of our recurring core business. We use Adjusted Net Income (Loss) and Adjusted EPS to evaluate financial performance, analyze the underlying trends in our business and establish operational goals and forecasts. We believe that Adjusted Net Income (Loss) and Adjusted EPS are useful measures because they permit investors to better understand changes in underlying operating performance over comparative periods by providing financial results that are unaffected by non-recurring events.

However, Adjusted Net Income, Adjusted EPS, EBITDA and Adjusted EBITDA are not recognized earnings measures under generally accepted accounting principles of the United States ("U.S. GAAP") and do not have a standardized meaning prescribed by U.S. GAAP. Therefore, Adjusted Net Income, Adjusted EPS, EBITDA and Adjusted EBITDA may not be comparable to similar measures presented by other issuers. Investors are cautioned that Adjusted Net Income, Adjusted EPS, EBITDA and Adjusted EBITDA should not be construed as alternatives to net income or loss or other income statement data (which are determined in accordance with U.S. GAAP) as an indicator of our performance or as a measure of liquidity and cash flows. Management's method of calculating Adjusted Net Income, Adjusted EPS, EBITDA and Adjusted EBITDA may differ materially from the method used by other companies and accordingly, may not be comparable to similarly titled measures used by other companies.

The amounts described below are unaudited, are reported in millions of U.S. dollars (except per share data and percentages), and are as of or for the three month periods ended March 31, 2019 and 2018, unless otherwise indicated.



# Non-GAAP Measures and Reconciliations

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**Reconciliation of EBITDA to Adjusted EBITDA (in millions except percentages)**

	<b>For the Quarter Ended March 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Net loss</b>	(0.7)	(0.3)
Interest expense	0.5	0.5
Depreciation & amortization	1.2	1.2
Income tax expense (benefit)	-	(0.1)
<b>EBITDA (1)</b>	<b>1.0</b>	<b>1.3</b>
% of sales	3.7%	4.2%
 <b>EBITDA</b>		
Stock compensation costs (2)	1.0	1.3
Aftermarket parts distribution center relocation (3)	0.1	0.1
-	-	0.6
<b>Adjusted EBITDA (4)</b>	<b>1.1</b>	<b>2.0</b>
<b>Adjusted EBITDA as % of net revenues</b>	<b>4.2%</b>	<b>6.7%</b>

- (1) EBITDA is defined as income or loss before interest, income taxes, depreciation and amortization. EBITDA is not a recognized measure under U.S. GAAP and does not have a standardized meaning prescribed by U.S. GAAP. Therefore, EBITDA may not be comparable to similar measures presented by other companies. The table above reconciles net income to EBITDA. See “—Cautionary Statements Regarding Non-GAAP Measures” for further information regarding EBITDA.
- (2) Stock compensation costs relate to the cost of equity grants to employees and directors from the ASV Equity Plan.
- (3) Aftermarket Parts Distribution Center relocation costs are restructuring costs related to the movement of the ASV aftermarket parts operation from Southaven, Mississippi to a facility adjacent to the Company principal premises in Grand Rapids MN, which commenced in quarter four of 2017 and was completed in quarter one of 2018.
- (4) Adjusted EBITDA is defined as EBITDA plus stock-based compensation, less the gain or loss related to non-recurring events. Adjusted EBITDA is not a recognized measure under U.S. GAAP and does not have a standardized meaning prescribed by U.S. GAAP. Therefore, Adjusted EBITDA may not be comparable to similar measures presented by other companies. The table above reconciles EBITDA to Adjusted EBITDA. See “—Cautionary Statements Regarding Non-GAAP Measures” for further information regarding EBITDA.



# Non-GAAP Measures and Reconciliations

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## Reconciliation of GAAP Net Income to Adjusted Net Income (in millions except shares and EPS)

	For the Quarter Ended March 31,	
	2019	2018
<b>Net loss as reported</b>	(0.7)	(0.3)
Aftermarket parts distribution center relocation- net of tax effect (1)	-	0.5
<b>Adjusted net (loss) income</b>	<b>(0.7)</b>	<b>0.2</b>
Weighted average diluted shares outstanding	9,863,000	9,816,000
Basic and diluted loss per share as reported	(\$0.07)	(\$0.03)
Total EPS effect	\$0.00	\$0.05
Adjusted (loss) earnings per share	(\$0.07)	\$0.02

(1) Aftermarket Parts Distribution Center relocation costs are restructuring costs related to the movement of the ASV aftermarket parts operation from Southaven, Mississippi to a facility adjacent to the Company principal premises in Grand Rapids MN, which commenced in quarter four of 2017 and was completed in quarter one of 2018.



# Key Balance Sheet Figures

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USD thousands except ratio or percentage figures

	March 31, 2018	December 31, 2018
<b>CURRENT RATIO</b>		
Current assets	58,588	54,002
Current liabilities	25,025	26,688
<b>Current Ratio</b>	<b>2.3</b>	<b>2.0</b>
<b>DEBT NET OF DEFERRED FINANCING COSTS</b>		
Note payable – short term	2,991	2,991
Operating leases – current portion	238	-
Deferred financing costs – revolving loan facility	(326)	(223)
Revolving loan facility	22,707	16,026
Note payable – long term –net	9,621	10,159
Operating leases – long term	796	-
<b>Debt</b>	<b>36,027</b>	<b>28,953</b>

	March 31, 2018	December 31, 2018
<b>NET WORKING CAPITAL</b>		
Accounts receivable	18,067	18,469
Inventory	37,969	34,055
Accounts payable	(18,241)	(19,314)
<b>Net working capital</b>	<b>37,795</b>	<b>33,210</b>
Last quarters annualized sales (LQS)	109,352	132,300
<b>Net working capital % of LQS</b>	<b>34.6%</b>	<b>25.1%</b>
<b>WORKING CAPITAL</b>		
Current assets	58,588	54,002
Less: Current liabilities	25,025	26,688
<b>Working Capital</b>	<b>33,563</b>	<b>27,314</b>

**Current ratio** is calculated as current assets divided by current liabilities

**Debt net of deferred financing costs** is calculated using the Condensed Consolidated Balance Sheet amounts for 1) deferred financing costs – revolving loan facility, 2) note payable – short term, 3) revolving loan facility and 4) note payable – long term net. Debt to Adjusted EBITDA ratio is calculated by dividing total debt at the balance sheet date by trailing twelve month Adjusted EBITDA.

**Net working capital** as a % of annualized last quarter's sales is the sum of accounts receivable and inventory less accounts payable divided by the last quarter's sales annualized (x4).

**Working capital** is calculated as total current assets less total current liabilities



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