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Spartan Motors Receives Grant for Job Creation and Long-term Investment in Ephrata, Pennsylvania Truck Body Manufacturing Facility

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Company's East Coast Plant Expansion to Bring Nearly 200 Jobs Over Three Years

EPHRATA, Pa., May 17, 2018 /PRNewswire/ -- [Spartan Motors, Inc.](#) (NASDAQ:SPAR) ("Spartan" or the "Company"), a global leader in specialty chassis and vehicle design, manufacturing and assembly, today announced its acceptance of a grant and tax credit award package which initially totals \$678,000 from the Commonwealth of Pennsylvania for its Ephrata plant expansion and long-term job growth initiatives. The award comes following its \$214 million United States Postal Service (USPS) contract win to build more than 2,000 cargo body vehicles for parcel delivery. The Commonwealth of Pennsylvania, through the Department of Community and Economic Development (DCED) extended the Pennsylvania First Program grant, in addition to Job Creation Tax Credits, and Manufacturing Tax Credits to Spartan, demonstrating its commitment to partner with the Company and in so doing, to further Pennsylvania's position as an economic leader through business development and job creation.

"On the heels of our USPS truck body win, we needed to make a determination on where to manufacture those vehicles. Rather than build or buy a new facility elsewhere, we made the decision to re-invest in and revitalize our Ephrata location, placing the Utilimaster truck body plant here," said Daryl Adams, President and Chief Executive Officer, Spartan Motors.

Utilimaster, a go-to-market brand of Spartan Motors' Fleet Vehicles & Services business unit, has been engineering, manufacturing, and assembling purpose-built parcel and last mile delivery vehicles for more than 40 years. Last October, Spartan announced the USPS award as the single largest revenue contract in its history. The USPS cargo body order consists of a combination of 18-foot and 24-foot Cab Over Engine and Cab Behind Engine Utilimaster truck body configurations. The initial order of 2,000 truck bodies will be built and delivered over the span of two years, beginning this month, with an option for additional quantities to be delivered over a third contract year. The win and resulting plant expansion is expected to create nearly 200 new full-time jobs over three years.

Based on the significant economic impact of the Ephrata facility reinvestment, the Commonwealth of Pennsylvania extended the Pennsylvania First Program (PFP) grant, in the amount of \$300,000, to be used toward the project. Alongside the PFP grant, it has provided Job Creation Tax Credits (JCTC) of \$378k, based on the premium wages Spartan workers will earn. Additionally, Manufacturing Tax Credits (MTC) have been offered for the creation of these long-term full-time jobs.


"We're committed to this location, our workforce, and to better serving our customers by having a larger presence on the Eastern seaboard. Programs like the PFP and the corresponding tax credits offered by Governor Wolf and the DCED made that expansion easier," Adams concluded.

As with any Spartan manufacturing facility, the Ephrata truck body manufacturing facility has been constructed and fixtured with the future in mind. Flexible manufacturing layouts allow for changes in customer orders and future build accommodations, so that changes to line configurations and corresponding product builds and assembly are thought of at the outset.

About Spartan Motors

Spartan Motors, Inc. is a leading designer, engineer, manufacturer, and marketer of a broad range of specialty vehicles, specialty chassis, vehicle bodies, and parts for the fleet and delivery, recreational vehicle (RV), emergency

response, defense forces, and contract assembly (light/medium duty truck) markets. The Company's brand names — Spartan Motors, Spartan Specialty Vehicles, Spartan Emergency Response, Spartan Parts and Accessories, Smeal, and its family of brands, including Ladder Tower™ and UST®; and Utilimaster®, a Spartan Motors Company — are known for quality, durability, performance, customer service, and first-to-market innovation. The Company employs approximately 2,300 associates, and operates facilities in Michigan, Indiana, Pennsylvania, Missouri, Wisconsin, Nebraska, South Dakota; Saltillo, Mexico; and Lima, Peru. Spartan reported sales of \$707 million in 2017. Visit Spartan Motors at theshyftgroup.com.

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SOURCE Spartan Motors, Inc.

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