

The Shyft Group Acquires Northeast Aluminum Truck Body Manufacturer F3 MFG, Inc.

October 1, 2020

- **Acquisition enhances product portfolio with lightweight and durable aluminum service, platform, and van bodies**
- **Supplements existing aftermarket business with aluminum accessories for light-duty trucks**
- **Further expands coast-to-coast manufacturing and distribution footprint**

NOVI, Mich., Oct. 1, 2020 /PRNewswire/ -- The Shyft Group, Inc. (NASDAQ: SHYF) ("Shyft" or the "Company"), the North American leader in specialty vehicle manufacturing, assembly, and upfit for the commercial, retail, and service specialty vehicle markets, today announced it acquired F3 MFG Inc. ("F3"), a leading, aluminum truck body and accessory manufacturer. F3 will join the Shyft Specialty Vehicles business unit and continue to go-to-market under the well-recognized DuraMag® and Magnum® brands.



The addition of DuraMag aluminum bodies to Shyft's product offerings follows the Company's recent acquisition of Royal Truck Body, a West Coast and Southwestern U.S. steel truck body maker. Combined, these acquisitions elevate Shyft to a leading position as a national service body manufacturer. From 2015 to 2019, F3 sales grew at a compound annual growth rate of 74%, resulting in 2019 sales of approximately \$25 million. The transaction was paid for with available cash and is expected to be accretive in 2021.

"The F3 team has created tremendous momentum in a short amount of time, emphasizing innovation as a key element in its growth strategy and filling market gaps in the interest of meeting customer needs. We thank the management team for their efforts and welcome the full organization to The Shyft Group family," said Daryl Adams, President and Chief Executive Officer of The Shyft Group. "This acquisition dovetails nicely with last year's Royal Truck Body acquisition, and will provide our expanded national network of dealers, fleet managers, owners and operators the choice of two industry-leading brands and highly complementary product sets, wherever they do business."

F3 was included in Inc. Magazine's annual list of America's 5,000 fastest-growing privately held companies in both 2018 and 2019. Today, the business operates out of a 140,000-square-foot production facility in Waterville, Maine. The operation includes aluminum manufacturing, finishing, assembly, and installation of DuraMag contractor, service, and van bodies, as well as Magnum branded headache racks (also known as cab protection racks or rear racks). The location will continue to serve as the business' primary manufacturing and assembly facility for both product lines.

"We are delighted to be joining the Shyft family of brands," said Bill Cleaves, F3 MFG, Founder. "Shyft's leading reputation, approach to manufacturing and innovative culture are well aligned with F3. Together, we are excited about

the opportunities to grow the DuraMag and Magnum brands and see them distributed nationally."

To learn more about the transaction, please visit www.theshyftgroup.com/f3.

About The Shyft Group

The Shyft Group is the North American leader in specialty vehicle manufacturing, assembly, and upfit for the commercial, retail, and service specialty vehicle markets. Our customers include first-to-last mile delivery companies across vocations, federal, state, and local government entities; the trades; and utility and infrastructure segments. The Shyft Group is organized into two core business units: Shyft Fleet Vehicles & Services and Shyft Specialty Vehicles. Today, its family of brands include Utilimaster, Royal Truck Body, DuraMag, Strobes-R-U's, Spartan RV Chassis, Builtmore Contract manufacturing, and corresponding aftermarket provisions. The Shyft Group and its go-to-market brands are well known in their respective industries for quality, durability, and first-to-market innovation. The Company employs approximately 2,900 associates across campuses, and operates facilities in Michigan, Indiana, Maine, Pennsylvania, South Carolina, Florida, Missouri, California, Arizona, Texas, and Saltillo, Mexico. The Company reported sales from continuing operations of \$757 million in 2019. Learn more about The Shyft Group at www.TheShyftGroup.com.

This release contains several forward-looking statements that are not historical facts, including statements concerning our expectations regarding the future performance of the F3 business and its effect on our business, strategic position, financial projections, financial strength, future plans, objectives, and the performance of our products and operations. These statements can be identified by words such as "believe," "expect," "intend," "potential," "future," "may," "will," "should," and similar expressions regarding future expectations. These forward-looking statements involve various known and unknown risks, uncertainties, and assumptions that are difficult to predict with regard to timing, extent, and likelihood. Therefore, actual performance and results may materially differ from what may be expressed or forecasted in such forward-looking statements. Factors that could contribute to these differences include difficulties we may encounter in integrating this business with our existing business; significant continued uncertainties regarding the impact of the COVID-19 pandemic on local, national, and global economic conditions; operational and other complications that may arise affecting the implementation of our plans and business objectives; continued pressures caused by economic conditions; issues unique to government contracting, such as competitive bidding processes, qualification requirements, and delays or changes in funding; changes in our relationships with major customers, suppliers, or other business partners; changes in the demand or supply of products within our markets or raw materials needed to manufacture those products; and changes in laws and regulations affecting our business. Other factors that could affect outcomes are set forth in our Annual Report on Form 10-K and other filings we make with the Securities and Exchange Commission (SEC), which are available at www.sec.gov or our website. All forward-looking statements in this release are qualified by this paragraph. Investors should not place undue reliance on forward-looking statements as a prediction of actual results. We undertake no obligation to update or revise any forward-looking statements in this release, whether as a result of new information, future events, or otherwise.

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