

F3 Acquisition FAQs

What is the strategic rationale for the acquisition?

The acquisition offers a number of key advantages to regional and national customers interested in lighter weight truck bodies, increased payload, greater rust and corrosion resistance, and overall improvements in total cost of ownership.

While DuraMag® truck bodies complement our Royal Truck Body work truck product mix, the Magnum® headache rack line provides The Shyft Group entry into the light duty truck retail market. Magnum's direct-to-consumer ecommerce website provides access to a broader consumer base, and supplementing accessory sales through dealer/distributors.

The F3 acquisition gives Shyft broader geographic reach, from both a manufacturing and distribution standpoint. F3 has strength in the Northeastern U.S. and the Midwest, whereas today, Shyft's Royal Truck Body brand has strength in the West and Southwest. Today, there is no overlap in distribution.

Where is F3 located and how much does this expand Shyft's production footprint and capacity?

F3 is based in Waterville, Maine, and operates from a 140,000-square-foot leased production facility.

What products does F3 produce and how do they go to market?

F3 produces high-strength, lightweight aluminum commercial truck and van bodies under the DuraMag brand, and Magnum headache racks (popular aftermarket cab protectors designed to keep shifting cargo from crashing through truck rear cab windows) for both the commercial and consumer truck markets. The DuraMag and Magnum branded products are recognized as premium offerings in their respective categories.

Due to the strength of the DuraMag and Magnum brands, we will continue to go to market under those brand names, leaving "F3 MFG" behind.

The DuraMag and Magnum brands will join the Shyft Specialty Vehicles business unit.

The company sells its products through a network of more than 200 upfitters, dealer/ distributors, retail commercial accounts, and direct-to-consumers based primarily in the Northeast and Midwest.

What are the financial terms of the transaction?

The full financial terms were not disclosed; however, the purchase was made with available cash on hand.

How many people does F3 employ and will they be retained?

The F3 team brings a great deal of experience and talent to the table. The management team will remain in place, and will continue to lead the nearly 200 skilled employees from the Waterville, ME facility.

How will the acquisition affect current customers of Shyft or F3?

We believe the acquisition and ability to offer a broader portfolio of purpose-built work trucks to a national market will help both customer sets, as well as our dealer/distributors. Both the geographic and product expansion aligns with Shyft's long-term strategy of establishing nationwide market coverage to better serve a broader customer set, more economically.

The acquisition of F3 provides Shyft with a complementary set of aluminum truck body and accessory products, an expanded geographic manufacturing and distribution footprint, and a dedicated skilled employee base that will enable us to bring a broader portfolio of purpose-built work trucks to market nationally.