



MARKET UPDATE

Specialty Vehicle

MARCH 2025



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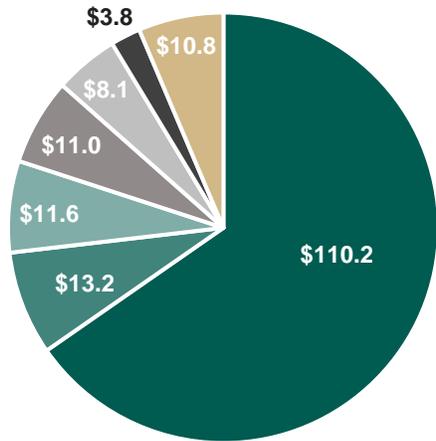
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Commercial Vehicle & Equipment Summary

2023 U.S. Commercial Vehicle & Equipment Shipments by Market Segment (\$ in billions)



- Trucks, Truck Chassis and Tractors
- Truck / Bus / Tractor Bodies and Cabs Sold Separately
- Buses and Fire-Fighting Vehicles
- Trailers
- Axles and Axle Suspension Assemblies
- Trucks / Buses / Rescue Vehicles (Purchased Chassis)
- Other Truck Equipment

Source: NTEA Research.

- Trucks, truck chassis and tractors is the largest segment and includes all chassis used for trucks, RVs / motorhomes, class 5-7 commercial buses, road tractors and commercial pickups / vans
- Chassis availability (or lack thereof) has been a central theme in the industry for the last several years, as COVID driven supply chain constraints meaningfully impacted chassis production, inventory levels and lead times for much of the post-COVID period
- Conditions meaningfully improved throughout 2024; while production and demand outlooks vary across vehicle classes, the industry is returning to more normal supply chain conditions across a variety of metrics (inventory levels, backlogs, lead times, etc.)

Truck Classifications	Class 1	Class 2	Class 3	Class 4
	≤ 6,000 lbs.	6,001 – 10,000 lbs.	10,001 – 14,000 lbs.	14,001 – 16,000 lbs.
Truck Classifications	Class 5	Class 6	Class 7	Class 8
	16,001 – 19,500 lbs.	19,501 – 26,000 lbs.	26,001 – 33,000 lbs.	≥ 33,001 lbs.

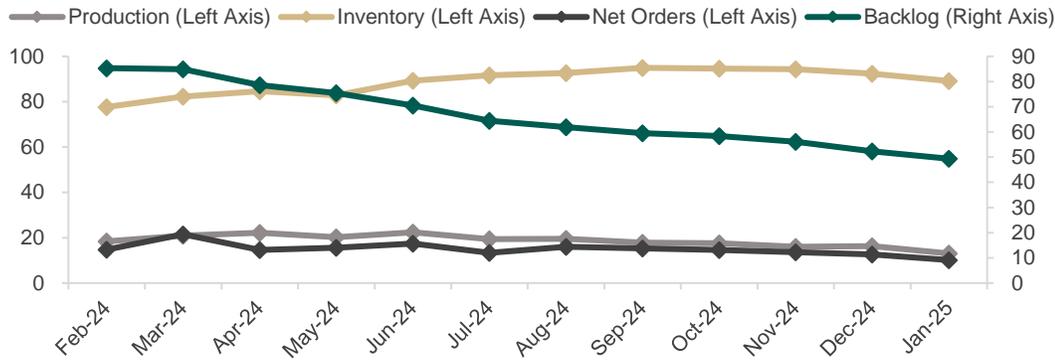
Trailer Classifications	Dry Vans	Refrig. Van Reefer	Flatbeds	Dump
Trailer Classifications	Lowbed	Liquid Tanks	Dry Tanks	Other



Class 5-7 Commercial Vehicle Market Update

Class 5-7 Commercial Vehicle Performance Indicators

(units in thousands)

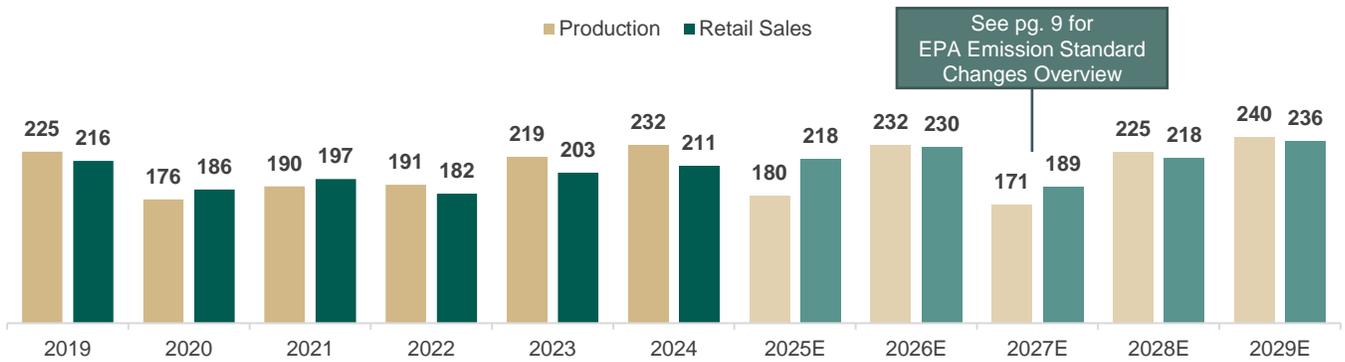


- ~227,000 units**
Jan. 2025 LTM production
- ~183,000 units**
Jan. 2025 LTM net orders
- ~51,000 units**
in backlog as of Jan. 2025
- ~91,000 units**
in inventory as of Jan. 2025

- Latest available January 2025 LTM class 5-7 commercial truck production increased ~2% to ~223,000 units compared to the prior year period; inventory increased 15%+ over the same period as production outpaced net orders
- Latest available January 2025 LTM class 5-7 commercial van production decreased 25%+ to ~4,000 units compared to the prior year period; net orders increased by 20%+ to ~4,000 units over the same period
- Chassis availability has significantly improved from the constrained levels experienced post-COVID; upfitters are adjusting to the new environment to work down backlogs and improve delivery lead times

Class 5-7 Commercial Vehicle Production & Retail Sales Forecast

(units in thousands)



- 2024 production finished ~5,000 units lower than ACT's November 2024 production forecast; most of this volume was shifted into 2025, which was revised ~3,000 units higher in the latest February 2025 forecast
- While production is expected to moderate in 2025, retail sales are expected to grow as upfitters work through channel inventory to complete units
- Both production and retail sales are poised for strong growth in 2026 supported by pre-buy activity ahead of the EPA's 2027 new emissions standards, followed by a quick recovery in 2028 – 2029 after the standards go into effect

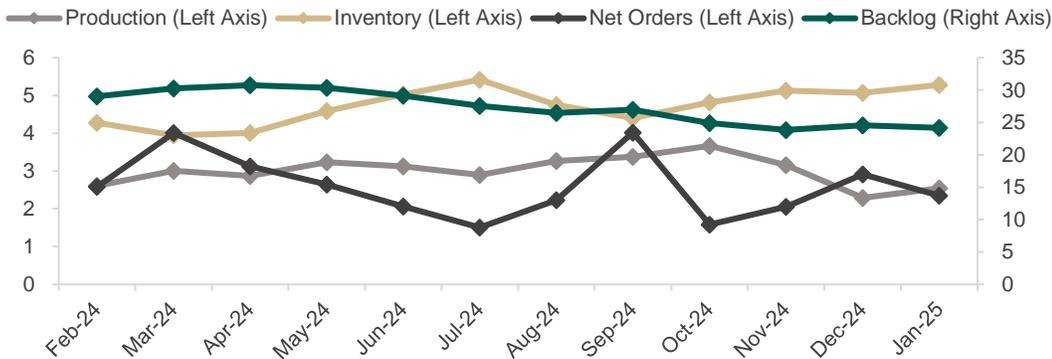
Note: Commercial vehicles include class 5-7 commercial trucks and vans.
Sources: ACT Research and D.A. Davidson investment banking.



Class 5-7 Commercial Bus Market Update

Class 5-7 Commercial Bus Performance Indicators

(units in thousands)

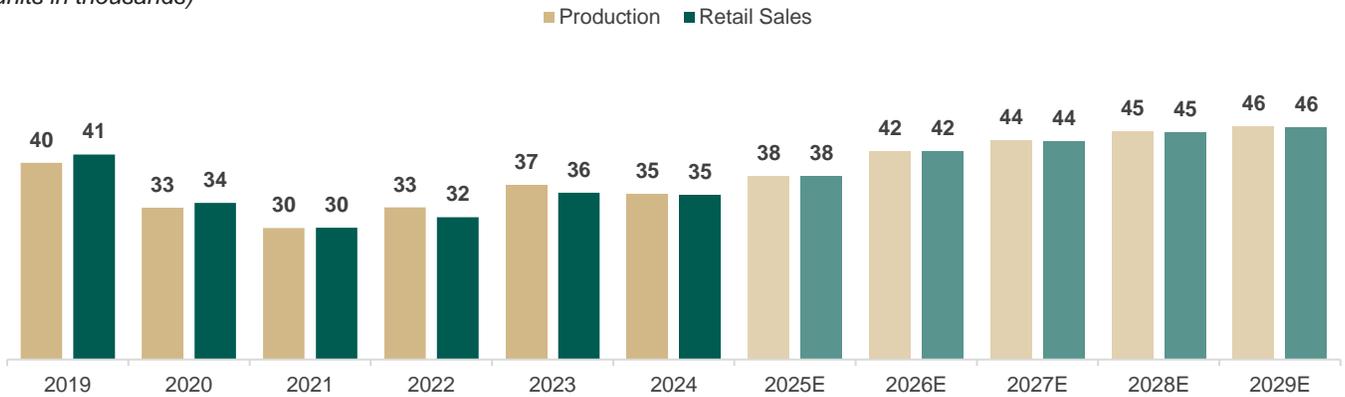


- ~36,000 units**
Jan. 2025 LTM production
- ~31,000 units**
Jan. 2025 LTM net orders
- ~24,000 units**
in backlog as of Jan. 2025
- ~5,000 units**
in inventory as of Jan. 2025

- Latest available January 2025 LTM class 5-7 commercial bus production increased ~2% to ~36,000 units over the prior year period; inventory increased ~5% as production outpaced net orders and retail sales, which slipped over the same period
- Despite some uncertainty regarding broader federal EV subsidies, industry participants are not under the impression that the EPA will shut down its Clean Bus program; EV adoption trends continue to be an important driver for class 5-7 commercial buses

Class 5-7 Commercial Bus Production & Retail Sales Forecast

(units in thousands)



- 2024 production finished ~2,000 units higher than ACT's November 2024 production forecast due to higher-than-expected production in December 2024
- Latest available February 2025 production forecast was revised from the November 2024 forecast to reflect production shifting into 2024, which drove a ~1,000 unit decrease in 2025; production forecast for 2026 – 2029 remained in-line with the November 2024 forecast
- Strong production growth is expected in 2025 and beyond supported by fleet replacement cycles and subsidized EV buses; retail sales are expected to trend alongside production over this period

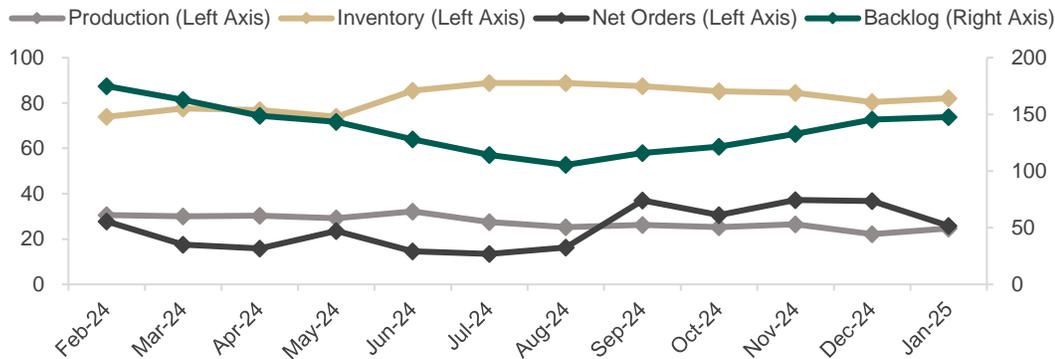
Sources: ACT Research and D.A. Davidson investment banking.



Class 8 Truck Market Update

Class 8 Truck Performance Indicators

(units in thousands)

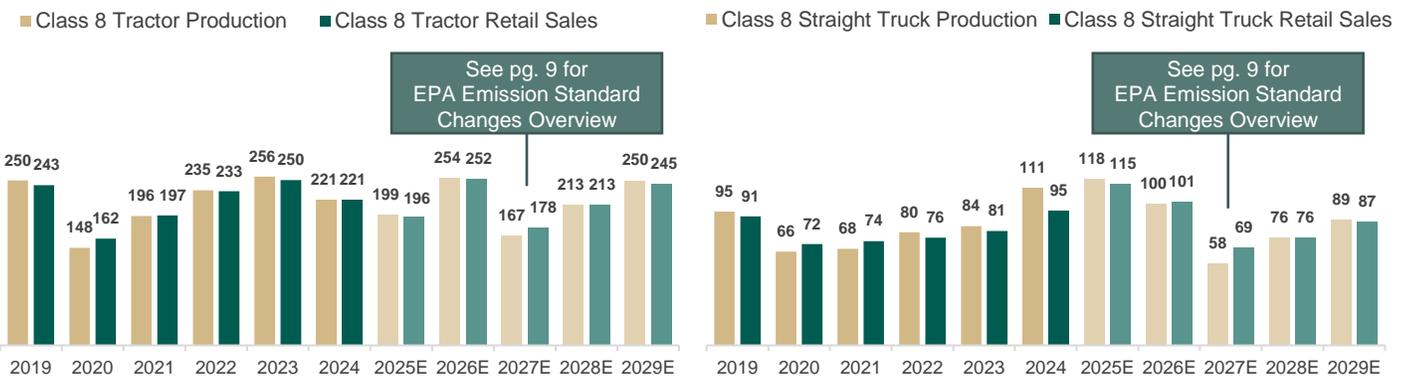


- ~330,000 units**
 Jan. 2025 LTM production
- ~297,000 units**
 Jan. 2025 LTM net orders
- ~148,000 units**
 in backlog as of Jan. 2025
- ~82,000 units**
 in inventory as of Jan. 2025

- Latest available January 2025 LTM class 8 tractor production decreased ~15% to ~217,000 units over the prior year period; inventory and net orders were both up slightly, rising ~2% over the same period
- Latest available January 2025 LTM class 8 straight truck production increased 30%+ to ~113,000 units over the prior year period; net order activity remained strong over this period, increasing by ~10%
- Strong vocational demand is driving healthy net order and production activity for straight trucks, while carrier profitability continues to impact the tractor market

Class 8 Truck Production & Retail Sales Forecast

(units in thousands)



- 2024 total class 8 production finished ~8,000 units higher than ACT's November 2024 production forecast due to stronger-than-expected tractor and straight truck production in December 2024
- Latest available February 2025 production forecast was revised from the November 2024 forecast to reflect continued strength in vocational demand and an uptick in tractor demand, driving a ~16,000 unit increase in 2025; production forecast for 2026 was adjusted ~4,000 units lower to reflect production shifting into 2025
- Tractors are poised for strong growth in 2026 as fleets prepare for the EPA's 2027 new emissions standards, while much of the straight truck pre-buy pulled forward into 2024 - 2025; both categories are expected to quickly recover in 2028 and 2029 following the dip in 2027

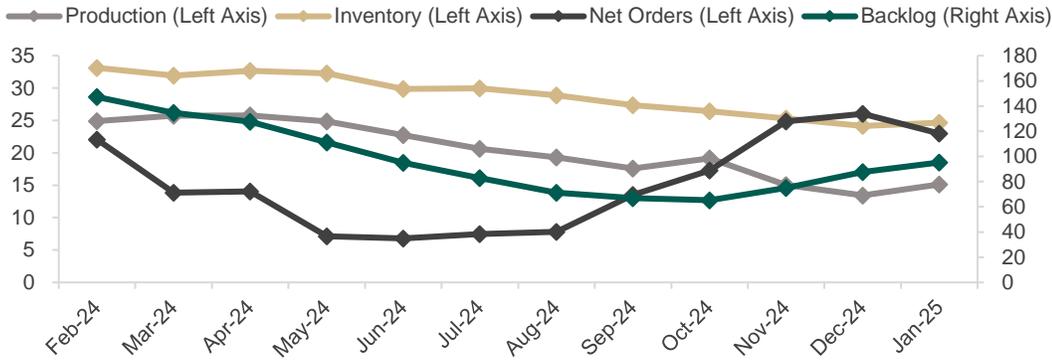
Sources: ACT Research and D.A. Davidson investment banking.



Commercial Trailer Market Update

Commercial Trailer Performance Indicators

(units in thousands)

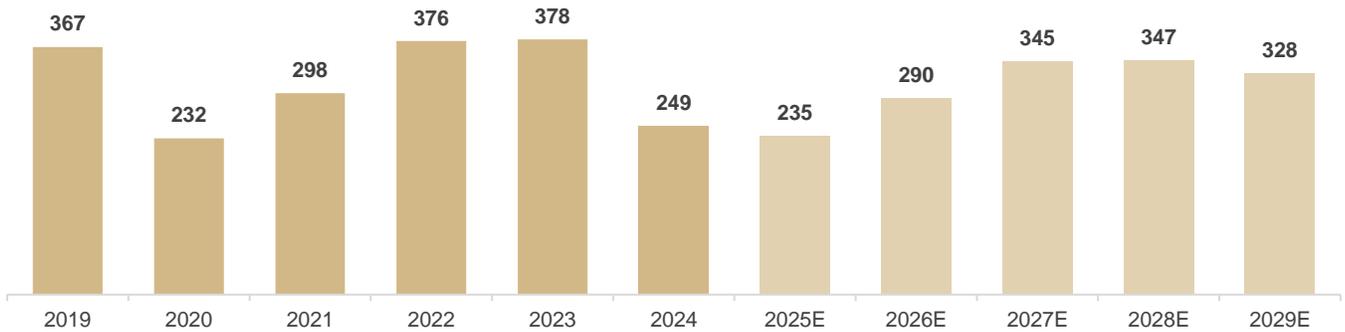


- ~244,000 units**
Jan. 2025 LTM production
- ~184,000 units**
Jan. 2025 LTM net orders
- ~95,000 units**
in backlog as of Jan. 2025
- ~25,000 units**
in inventory as of Jan. 2025

- Latest available U.S. commercial trailer production slipped during the January 2025 LTM period, decreasing 30%+ to ~244,000 units over the prior year period; net orders and retail sales decreased by 25%+ and 30%+, respectively
- Soft for-hire freight rates and low carrier profitability continue to constrain fleet capex and impact trailer demand and production

Commercial Trailer Production Forecast

(units in thousands)



- 2024 production finished ~2,000 units higher than ACT’s November 2024 production forecast, driven by higher-than-expected build rates in December 2024
- Latest available February 2025 production forecast was adjusted from the November 2024 forecast to reflect increased activity heading into 2025, driving a ~4,000 unit increase in 2025
- U.S. commercial trailer production is expected to decrease slightly in 2025, followed by a ~25% and ~20% unit increase in 2026 and 2027, respectively

Sources: ACT Research and D.A. Davidson investment banking.



Commercial Vehicle Fleet Update

Davidson's Small & Midsize Truck Fleet Survey

- Every quarter, Davidson Research asks 70+ US-based small and midsize businesses who own at least two trucks about their plans for buying new trucks, lead times to obtain trucks, plans to buy electric trucks and other aspects of their business; a wide range of vehicles are represented, from pickup trucks to Class 8 units
- While larger vehicle upfitters may obtain a meaningful percentage of their business (especially final-mile delivery vans) from the large parcel fleets such as FedEx and UPS, or large retailers such as Amazon, small and midsize businesses provide real-time visibility into fleet purchase intentions

January 2025 Survey Results



Fleet Purchase Intentions

“Fleet capex intentions for the next 12 months (2025) deteriorated this quarter”
–Davidson Research (1/29/2025)

- 49% of the respondents plan to increase spending by 3% or more over the next 12 months, below the 84% recorded last quarter and 64% two quarters ago
- Much of the change from last quarter was due to the number of fleets who put down "Unsure" as their response to this question, given the early point in the year as well as what we believe was the timing of the poll, immediately after the Presidential inauguration



Truck Delivery Times

“Delivery times remain challenged” –Davidson Research (1/29/2025)

- 51% of fleets are receiving the vehicles they ordered on time, up modestly from 48% last quarter
- While chassis availability has improved, upfitters are still adjusting to a new supply chain environment and working to improve on-time delivery metrics



Business Sentiment

“Business sentiment on 2025 declined vs. last quarter”
–Davidson Research (1/29/2025)

- 51% of the fleet respondents noted that they feel "positive" about their business in 2025, down from 63% last quarter
- Like with capex intentions, this sentiment indicator may be directly related to the timing of the survey immediately after the Presidential inauguration
- Fleets may also be worried about the direction of interest rates or even the availability of unskilled labor for their business

Note: Complimentary Davidson Research reports referenced above are available upon request.



EPA Emission Standard Changes Overview

Overview of Upcoming Vehicle Emission Standard Changes

- **Low NOx Rule:** Requires an 80%+ reduction in NOx emissions for class 5 – 8 vehicles; standard was published in December 2022 and goes into effect in 2027 for all relevant vehicle classes
- **EPA 2027 GHG Emissions Mandate:** Establishes stricter emission standards for engine manufacturers for class 5 – 8 vehicles; final rule was published in March 2024 with implementation staggered from 2027 – 2030 based on vehicle type
 - Recent executive orders issued under the Trump administration signal the potential for revisions to this mandate
- New standards are expected to increase the total cost of ownership of a truck, which will drive pre-buy activity ahead of the phase-in date
 - Low NOx rule is expected to increase upfront costs by ~\$5,000 and total costs over the useful life of the truck by \$20,000 - \$25,000
 - EPA 2027 GHG Emissions Mandate is expected to increase total costs over the useful life of a class 8 truck by ~\$30,000
- Emission changes occur routinely, and industry participants plan for and work through these changes to minimize disruption in the vehicle production and sales cycle
 - Engine manufacturers have already announced that they will have EPA-compliant engines available ahead of the 2027 phase-in

Expected Pre-Buy Years by Chassis Type and Emission Standard

■ Expected Pre-Buy Years

Standard	Chassis Type	Phase-In Year	2024	2025	2026	2027	2028	2029
Low NOx Rule	Class 5 – 7	2027						
	Class 8 Straight Trucks	2027						
	Class 8 Tractor Day Cabs	2027						
	Class 8 Tractor Sleepers	2027						
EPA 2027 GHG Emissions Mandate	Class 5 – 7	2027						
	Class 8 Straight Trucks	2029						
	Class 8 Tractor Day Cabs	2028						
	Class 8 Tractor Sleepers	2030						

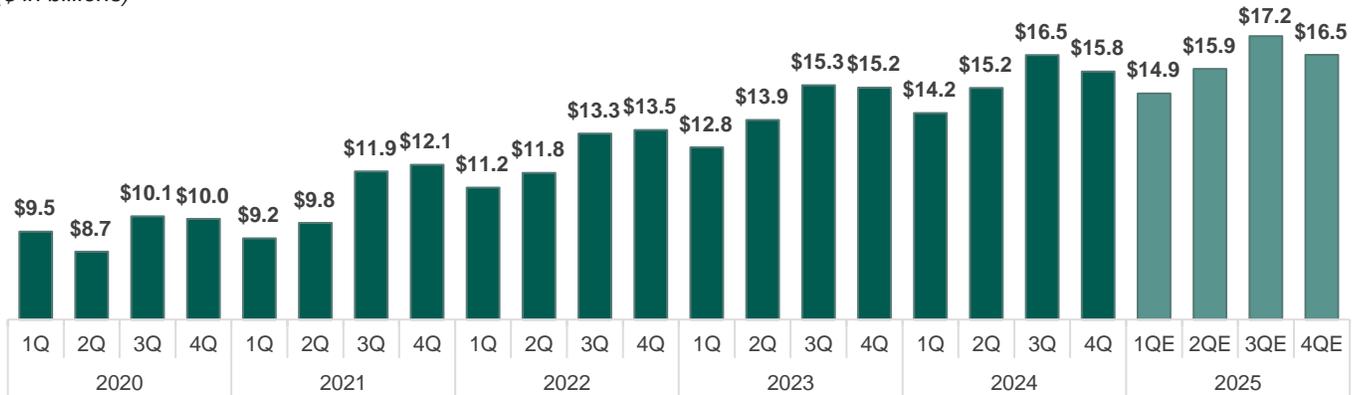
Sources: United States Environmental Protection Agency (EPA) and D.A. Davidson investment banking.



Rental Equipment Market Update

U.S. Rental Equipment Revenue & Near-Term Outlook

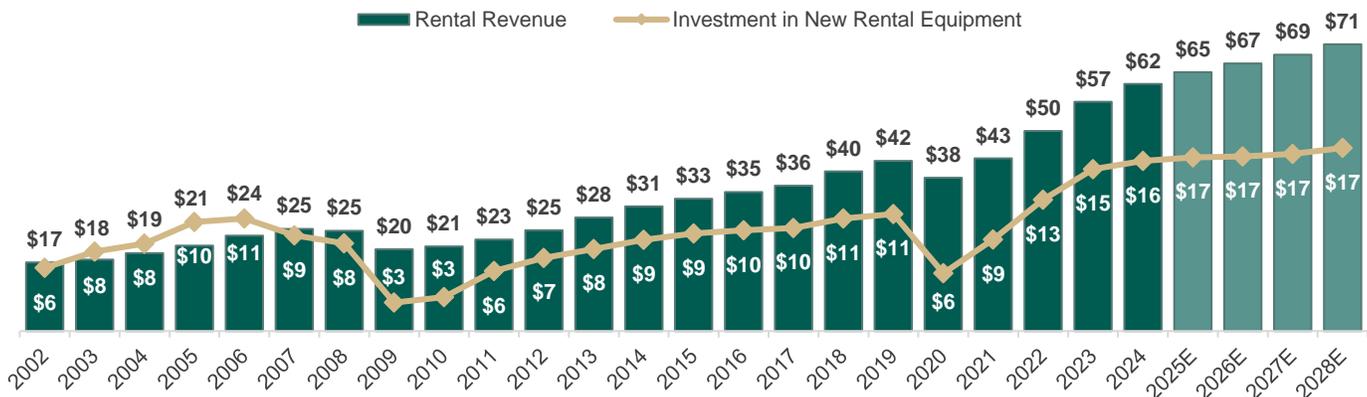
(\$ in billions)



- Equipment rental revenue reached ~\$62 billion for full-year 2024, representing a ~1% increase over the prior year; strong growth over the past several quarters was driven by a continued recovery in demand and new rental equipment investment following pandemic-driven lows experienced in 2020
- Latest available U.S. industrial and construction equipment rental revenue increased in 4Q2024, rising ~5% over the prior year period; 4Q2024 actual results were in-line with ARA’s November 2024 forecast for the quarter
- Annual revenue growth is expected to moderate in 2025 to ~5% after growing at a 10%+ CAGR from 2021 to 2024

Long-Term U.S. Rental Equipment Revenue & Investment Trends

(\$ in billions)



- Latest available February 2025 rental revenue forecast is largely in-line with ARA’s November 2024 forecast
- Latest available February 2025 rental equipment investment forecast moderated some compared to ARA’s November 2024 forecast, primarily driven by a higher-than-expected interest rate environment heading into 2025; growth is expected to be modest over the next few years given the fleet replacement activity that occurred from 2021 to 2023
- Following similar trends as new rental equipment investment, rental revenue growth is expected to moderate into the low single digits in 2025 and beyond

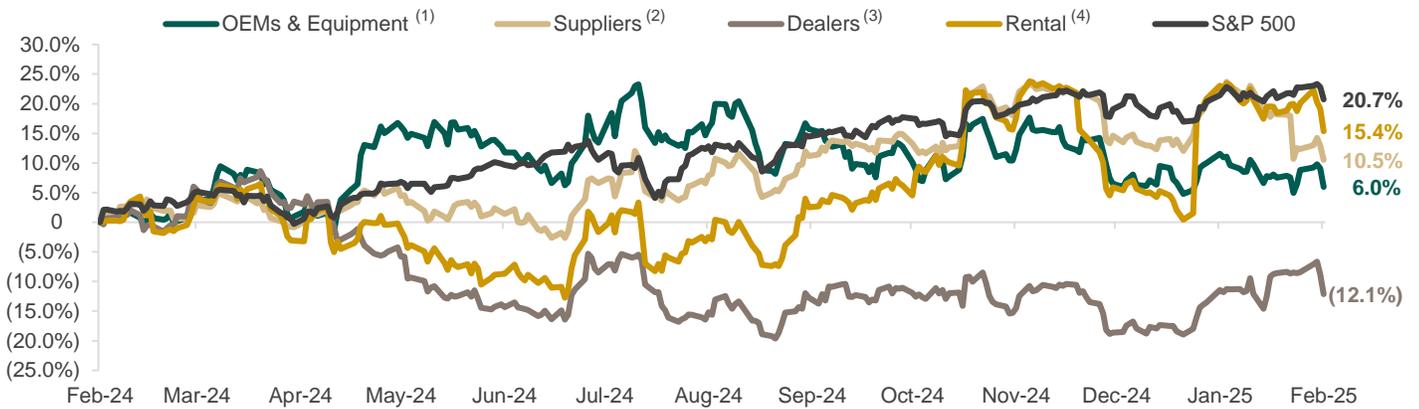
Note: Data includes rental revenue and investment associated with construction (e.g. loaders, excavators, dump trucks, access equipment, etc.) and industrial (e.g. transportation, machinery, etc.) equipment, and was recently updated to include specialty rental equipment.
Sources: American Rental Association and D.A. Davidson investment banking.



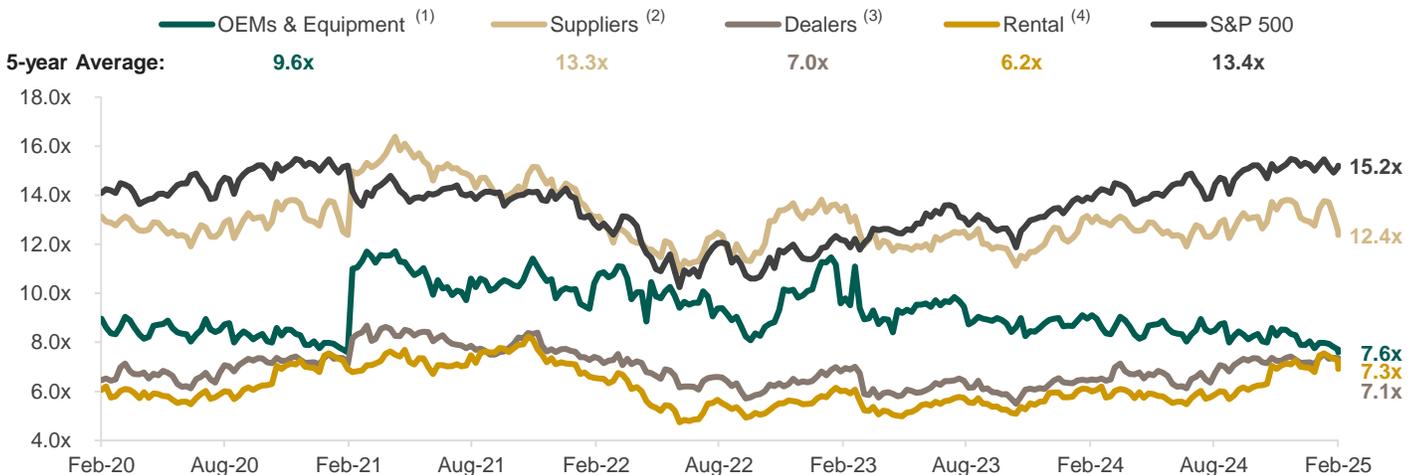
Specialty Vehicle – OEMs & Equipment, Suppliers, Dealers and Rental Trading Update

- Most specialty vehicle indices have grown (albeit at a slower rate) alongside the broader market over the past twelve months; Dealers index has underperformed given its heavier exposure to agriculture, which continues to face headwinds due to commodity price trends
- OEMs & Equipment and Suppliers indices are currently trading modestly below their 5-year EV/NTM EBITDA multiple averages, while Dealers and Rental indices are trading near or above their 5-year averages

Stock Price Performance



EV / NTM EBITDA Multiples



Sources: D.A. Davidson investment banking and CapitalIQ as of February 21, 2025.

Note: Enterprise value ("EV") excludes floor plan financing.

(1) Includes Alamo Group Inc., Blue Bird Corporation, Federal Signal Corporation, The Manitowoc Company, Inc., Miller Industries, Inc., NFI Group Inc., Oshkosh Corporation, Palfinger AG, REV Group Inc., Rosenbauer International AG, The Shyft Group Inc. and Wabash National Corporation.

(2) Includes Allison Transmission, Douglas Dynamics, Inc., IDEX Corporation, The Toro Company and Wabtec Corporation.

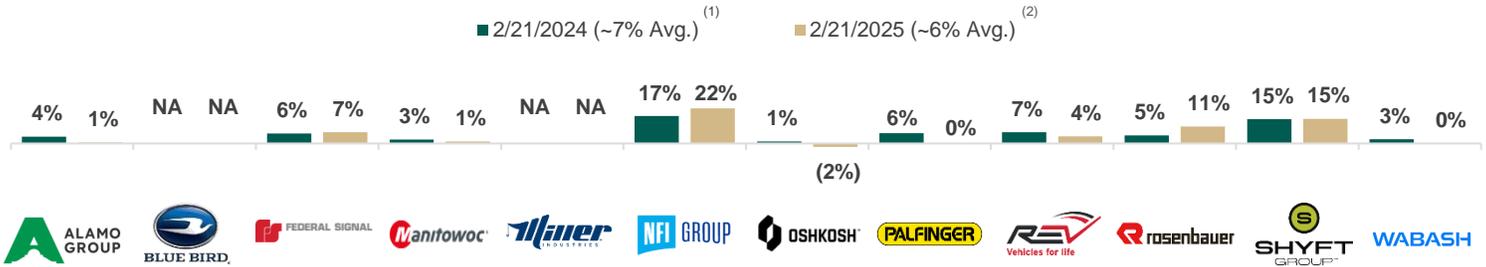
(3) Includes Alta Equipment Group, Finning International, Rush Enterprises, Titan Machinery, Toromont Industries and Wajax Corporation.

(4) Includes Ashtead Group plc, Custom Truck One Source, Inc., H&E Equipment Services, Inc., Herc Holdings, Inc., Ryder Systems, Inc., U-Haul and United Rentals, Inc.

Specialty Vehicle – OEMs and Equipment Valuation and Operating Metrics

- CY 2025 outlook for specialty vehicle OEMs and equipment companies declined slightly as revenue growth estimates for companies in this sub-sector are ~6%, on average
 - Outlooks for OEMs with exposure to agriculture (e.g., Alamo) and commercial trailers (e.g., Wabash) have been impacted by growing headwinds specific to those markets
- 2025P EV/EBITDA multiples are currently trending modestly below the 5-year EV/NTM EBITDA average of 9.6x for this sub-sector
 - Shyft's share price and trading multiples were impacted after announcing a definitive agreement to merge with Aebi Schmidt (transaction is expected to close by mid-2025)

CY2025 Revenue Growth Estimates



Valuation Statistics

Comparable Companies	Share Price	As % of		Market Cap	Enterprise Value (EV)	EV/EBITDA		EV/EBIT		Dividend Yield
		LTM High	Market Cap			2025P	2026P	2025P	2026P	
Alamo Group Inc.	\$ 188.90	82.5%	\$ 2,278.2	\$ 2,362.3	9.8x	9.0x	12.5x	11.3x	0.6%	
Blue Bird Corporation	35.08	59.1%	1,126.5	1,084.6	5.4	5.0	6.6	6.2	NA	
Federal Signal Corporation	93.71	91.7%	5,726.3	5,885.0	15.2	13.8	18.4	16.6	0.5%	
The Manitowoc Company, Inc.	10.78	75.3%	378.7	720.9	5.1	5.0	9.8	8.4	NA	
Miller Industries, Inc.	60.11	76.8%	687.6	712.0	6.4	5.8	7.3	6.4	1.2%	
NFI Group Inc.	7.88	57.3%	938.5	2,079.4	6.1	5.1	7.8	6.2	NA	
Oshkosh Corporation	103.17	80.6%	6,712.8	7,469.7	6.0	5.3	7.1	6.4	1.8%	
Palfinger AG	25.19	97.2%	875.7	1,794.5	6.5	5.7	10.3	8.5	4.4%	
REV Group, Inc.	31.26	86.8%	1,627.2	1,687.6	7.9	6.5	9.3	7.4	0.7%	
Rosenbauer International AG	42.75	94.5%	290.7	816.9	7.3	6.6	10.1	9.0	NA	
The Shyft Group, Inc.	11.17	63.6%	390.2	506.9	6.9	6.3	9.7	9.0	1.6%	
Wabash National Corporation	12.12	40.3%	514.5	797.1	5.9	4.1	10.4	5.9	2.5%	
Mean		75.5%	\$ 1,795.6	\$ 2,159.7	7.4x	6.5x	10.0x	8.4x	1.7%	
Median		78.7%	907.1	1,386.1	6.5	5.7	9.8	7.9	1.4%	

Operating Statistics

Comparable Companies	Latest Period	LTM Revenue	LTM Gross Margin	LTM EBITDA Margin	Revenue CAGR		EBITDA CAGR		Net Debt / LTM EBITDA
					'22-'24	'24-'26	'22-'24	'24-'26	
Alamo Group Inc.	9/30/2024	\$ 1,660.7	25.9%	13.7%	4.1%	2.4%	6.7%	8.3%	0.4x
Blue Bird Corporation	12/28/2024	1,343.4	18.8%	11.5%	21.7%	8.3%	NM	8.7%	NM
Federal Signal Corporation	9/30/2024	1,837.9	28.3%	18.3%	14.2%	6.7%	27.9%	10.0%	0.5
The Manitowoc Company, Inc.	12/31/2024	2,178.0	17.2%	5.9%	3.5%	2.4%	(4.9%)	6.2%	2.7
Miller Industries, Inc.	9/30/2024	1,331.8	13.2%	8.0%	25.0%	6.8%	59.0%	8.8%	0.2
NFI Group Inc.	9/29/2024	3,074.8	11.2%	NM	23.8%	16.2%	NM	37.9%	NM
Oshkosh Corporation	12/31/2024	10,755.5	18.3%	11.6%	14.0%	1.5%	60.8%	5.7%	0.6
Palfinger AG	9/30/2024	2,667.8	26.0%	11.1%	0.6%	3.9%	14.7%	5.6%	2.9
REV Group, Inc.	10/31/2024	2,380.2	12.5%	7.0%	(1.9%)	6.7%	23.4%	27.5%	0.4
Rosenbauer International AG	9/30/2024	1,345.9	16.5%	6.4%	11.1%	9.1%	117.6%	13.6%	NM
The Shyft Group, Inc.	12/31/2024	787.1	18.1%	6.2%	(11.9%)	9.9%	(11.5%)	28.5%	2.4
Wabash National Corporation	12/31/2024	1,946.7	13.6%	8.4%	(11.8%)	7.2%	(14.8%)	9.1%	1.7
Mean		\$ 2,609.2	18.3%	9.8%	7.7%	6.8%	27.9%	14.2%	1.3x
Median		1,892.3	17.6%	8.4%	7.6%	6.8%	19.1%	8.9%	0.6

Sources: D.A. Davidson research, D.A. Davidson investment banking and CapitalIQ as of February 21, 2025. Represents consensus estimates as of February 21, 2025. Future estimates may be subsequently updated. Note: All figures shown in USD at historical exchange rates.

(1) Revenue growth estimates use consensus estimates as of February 21, 2024.

(2) Revenue growth estimates use consensus estimates as of February 21, 2025.

Specialty Vehicle – Selected OEMs and Equipment Commentary



- **“In Vegetation, ALG is already seeing a turn in Brazil, and channel inventories are depleted suggesting (among other reasons) that an upward turn is ahead...ALG continues to have a strong backlog and outlook in the Industrial segment”** –Davidson Research (3/3/2025)
- Announced FY 2024 results; net sales of \$1.6B and adj. EBITDA of \$221M decreased by 4% and 11% from the prior year period, respectively –Press Release (2/27/2025)



BLUE BIRD

- **“School-bus budgets may not be affected even if tax receipts decline, since fleets are aged and a portion of funding is coming from independent sources (such as heavily-subsidized EV buses from state and Federal initiatives)”** –Davidson Research (2/19/2025)
- Announced FY 1Q2025 results; net sales of \$314M and adj. EBITDA of \$46M decreased by 1% and 4% from the prior year period, respectively –Press Release (2/5/2025)



FEDERAL SIGNAL

- **“FSS noted to us that it has locked-in its steel prices already for the majority of the year, given its robust backlog. This type of demand environment should make it easy to pass along surcharges, if necessary”** –Davidson Research (3/2/2025)
- Announced FY 2024 results; net sales of \$1.9B and adj. EBITDA of \$351M increased by 8% and 23% from the prior year period, respectively –Press Release (2/26/2025)



Manitowoc

- **“For the U.S. market, the positive sentiment we heard in May at our Crane Days event is coming back. There's still questions as to what will happen to interest rates and the effect of any tariffs. While there is some optimism in Europe for the first time in a while, any improvement is expected to be slight”** –Brian Regan (Executive VP, CFO & Principal Financial Officer), Investor Transcript (2/13/2025)
- Announced FY 2024 results; net sales of \$2.2B and adj. EBITDA of \$128M decreased by 2% and 27% from the prior year period, respectively –Press Release (2/12/2025)



Miller INDUSTRIES

- **“We got the sense that demand remains strong for many medium-duty categories and late-year production has positioned the upfitting industry well to deliver on whatever demand comes its way. We don't specifically track the Ram models used frequently by MLR, but the company noted to us that quoting and demand remained strong in late 2024”** –Davidson Research (1/10/2025)
- Announced FY 3Q2024 results; net sales of \$314M and diluted income per share of \$1.33 increased by 14% and decreased by 12% from the prior year period, respectively –Press Release (11/12/2024)



OSHKOSH™

- **“In our view, investors came to realize that OSK is no longer dependent on Access for the lion's share of earnings, as Vocational operating income could be its equal in 2025”** –Davidson Research (2/3/2025)
- Announced FY 2024 results; net sales of \$10.8B and adj. operating income of \$1.1B increased by 11% and 24% from the prior year period, respectively –Press Release (1/30/2025)



REV
Vehicles for life

- **“REVG did the right thing, in our view, by preparing investors for lower Specialty backlogs over time as throughput starts to catch up. That said, on our call-back we were told that demand remains solid. We got the sense that throughput will be increasing rather than bookings drying up”** –Davidson Research (12/13/2024)
- Announced FY 2024 results; net sales of \$2.4B and adj. EBITDA of \$163M decreased by 10% and 8% from the prior year period, respectively –Press Release (12/11/2024)



SHYFT
GROUP™

- **“Incoming CEO Barend Fruithof and the rest of the Aebi Schmidt team received numerous calls after the SHYF deal was announced from customers who immediately realized the benefits of the proposed merger. Among other items, they were excited to potentially save money using Royal truck bodies, receive package deals such as airport snowplows with work trucks, and get better service thanks to the combined company's combined 28 upfit centers”** –Davidson Research (1/15/2025)
- Announced FY 2024 results; net sales of \$786M and adj. EBITDA of \$49M decreased by 10% and increased by 22% from the prior year period, respectively –Press Release (2/20/2025)



WABASH

- **“Last quarter, we noted that WNC was still expecting most fleets to make order decisions by the end of 2024–slightly late for the typical "order season." It appears as though many fleets are now pushing further into 2025 to make decisions, or will be ordering small amounts at a time in the near-term”** –Davidson Research (2/14/2025)
- Announced FY 2024 results; net sales of \$1.9B and adj. EBITDA of \$163M decreased 23% and 56% from the prior year period, respectively –Press Release (1/29/2025)

Note: Complimentary Davidson Research reports referenced above are available upon request.

Specialty Vehicle – Suppliers Valuation and Operating Metrics

- CY 2025 outlook for specialty vehicle suppliers has moderated slightly as revenue growth estimates for companies in this sub-sector are now ~5%, on average
- 2025P EV/EBITDA multiples for suppliers are currently trending modestly below the 5-year EV/NTM EBITDA average of 13.3x for this sub-sector

CY2025 Revenue Growth Estimates

■ 2/21/2024 (~6% Avg.)⁽¹⁾ ■ 2/21/2025 (~5% Avg.)⁽²⁾



Valuation Statistics

Comparable Companies	Share Price	As % of			EV/EBITDA		EV/EBIT		Dividend Yield
		LTM High	Market Cap	Enterprise Value (EV)	2025P	2026P	2025P	2026P	
Allison Transmission	\$ 100.67	82.2%	\$ 8,609.1	\$ 10,223.1	8.5x	7.8x	9.7x	8.8x	1.0%
Douglas Dynamics, Inc.	25.81	83.3%	596.1	803.8	8.8	7.6	11.5	9.7	4.5%
IDEX Corporation	192.98	78.3%	14,624.8	15,963.6	16.9	15.5	21.7	19.3	1.4%
The Toro Company	79.99	79.3%	8,049.1	8,771.4	11.9	11.3	15.0	14.0	1.9%
Wabtec Corporation	184.63	87.6%	31,543.7	34,857.7	14.7	13.6	16.1	14.8	0.5%
Mean		82.1%	\$ 12,684.6	\$ 14,123.9	12.1x	11.2x	14.8x	13.3x	1.9%
Median		82.2%	8,609.1	10,223.1	11.9	11.3	15.0	14.0	1.4%

Operating Statistics

Comparable Companies	Latest Period	LTM Revenue	LTM Gross Margin	LTM EBITDA Margin	Revenue CAGR		EBITDA CAGR		Net Debt / LTM EBITDA
					'22-'24	'24-'26	'22-'24	'24-'26	
Allison Transmission	12/31/2024	\$ 3,225.0	47.4%	34.5%	7.9%	4.3%	8.4%	8.4%	1.5x
Douglas Dynamics, Inc.	9/30/2024	559.2	25.1%	11.9%	(3.0%)	6.9%	(2.1%)	17.5%	3.1
IDEX Corporation	12/31/2024	3,268.8	44.5%	26.7%	1.4%	5.4%	(2.1%)	8.6%	1.5
The Toro Company	10/31/2024	4,583.8	33.8%	14.9%	(1.5%)	2.2%	(3.5%)	6.2%	1.1
Wabtec Corporation	12/31/2024	10,387.0	32.8%	20.5%	11.5%	5.9%	21.0%	9.7%	1.5
Mean		\$ 4,404.8	36.7%	21.7%	3.2%	4.9%	4.3%	10.1%	1.7x
Median		3,268.8	33.8%	20.5%	1.4%	5.4%	(2.1%)	8.6%	1.5

Sources: D.A. Davidson research, D.A. Davidson investment banking and CapitalIQ as of February 21, 2025. Represents consensus estimates as of February 21, 2025. Future estimates may be subsequently updated. Note: All figures shown in USD at historical exchange rates.

(1) Revenue growth estimates use consensus estimates as of February 21, 2024.

(2) Revenue growth estimates use consensus estimates as of February 21, 2025.

Specialty Vehicle – Selected Suppliers Commentary



- “In our North America On-Highway end market, demand for our 3000 and 4000 Series products drove full year net sales to a record \$1.8 billion...We have invested in our operations and supply chain to increase output for these products and look forward to another notable year in 2025 as we anticipate ongoing U.S. infrastructure spending to drive continued strong demand for Class 8 vocational vehicles” –*David Graziosi (Chairman, President & CEO), Investor Transcript (2/11/2025)*
- Announced FY 2024 results; net sales of \$3.2B and adj. EBITDA of \$1.2B increased by 6% and 5% from the prior year period, respectively –*Press Release (2/11/2025)*



- **“The off-truck plow business is steady and appears poised to grow as snowfall normalizes...Management believes that once snowfall returns to normal, there could be substantial growth in this business as customers and dealers look for a "one-stop" shop for on-road and off-road snow-removal equipment from a single trusted manufacturer”** –*Davidson Research (2/26/2025)*
- Announced FY 2024 results; net sales of \$569M and adj. EBITDA of \$79M increased by 1% and 16% from the prior year period, respectively –*Press Release (2/24/2025)*



- **“End market conditions remain fairly mixed...FSDP [Fire & Safety / Diversified Products] (dispense cyclical softness within NA; strength in automation/fire/safety)”** –*Davidson Research (2/4/2025)*
- Announced FY 2024 results; net sales of \$3.3B and adj. EBITDA of \$874M remained unchanged and decreased by 3% from the prior year period, respectively –*Press Release (2/4/2025)*



- **“TTC discussed the glide path of its Golf and Underground businesses as it spends FY:25 working down its backlog. TTC was hesitant to add capacity (especially in Golf) but expects to be back to a normalized level by the end of the FY. As for Underground, it's "crazy busy" and there's "no end in sight," so high backlogs appear likely to persist into FY:26”** –*Davidson Research (1/13/2025)*
- Announced FY 2024 results; net sales of \$4.6B increased by 1% from the prior year period; reaffirmed guidance for low single digit net sales growth in FY 2025 –*Press Release (12/18/2024)*



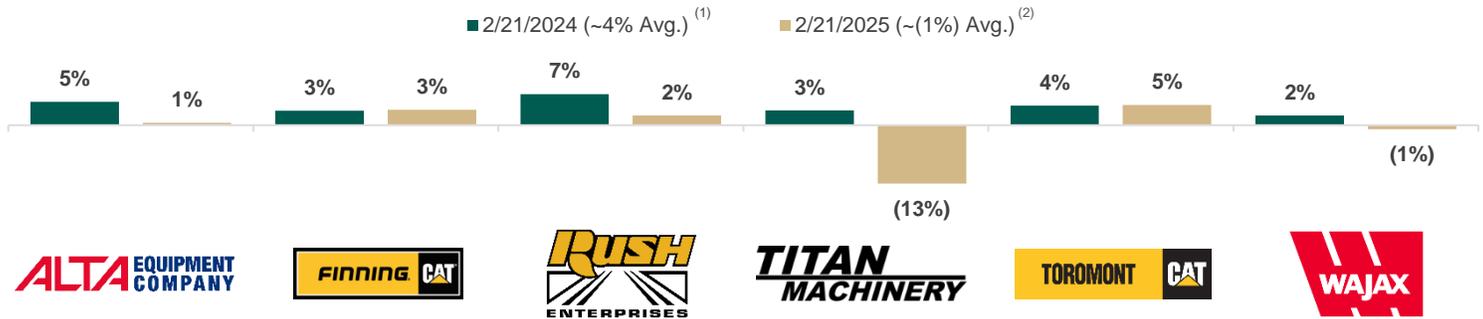
- “North American carloads continue to be up for the quarter. Despite this carload growth, the industry's and Wabtec's active locomotive fleet were largely flat when compared to the last year's fourth quarter. Looking at the North American railcar builds, demand for new railcars was down compared to 2023 and landed at approximately 42,000 cars for 2024. The industry outlook for 2025 is to be down nearly 17%” –*Rafael Santana (CEO, President & Director), Investor Transcript (2/12/2025)*
- Announced FY 2024 results; net sales of \$10.4B and adj. EBITDA of \$2.1B increased by 7% and 17% from the prior year period, respectively –*Press Release (2/12/2025)*

Note: Complimentary Davidson Research reports referenced above are available upon request.

Specialty Vehicle – Dealers Valuation and Operating Metrics

- CY 2025 outlook for specialty vehicle dealers has slipped as revenue growth estimates for companies in this sub-sector are now ~(-1%), on average
 - Change in outlook is largely driven by Titan given agriculture headwinds; excluding Titan, average revenue growth for 2025 is ~2%
- 2025P EV/EBITDA multiples for dealers are currently trending modestly above the 5-year EV/NTM EBITDA average of 7.0x for this sub-sector

CY2025 Revenue Growth Estimates



Valuation Statistics

Comparable Companies	Share Price	As % of		Market Cap	Enterprise Value (EV)	EV/EBITDA		EV/EBIT		Dividend Yield
		LTM High	Market Cap			2025P	2026P	2025P	2026P	
Alta Equipment Group	\$ 6.45	47.2%	\$ 214.5	\$ 934.7	5.2x	4.7x	23.0x	19.6x	3.3%	
Finning International	29.96	94.2%	4,060.0	5,644.5	6.3	6.1	9.2	8.7	2.5%	
Rush Enterprises	55.72	85.2%	4,360.6	4,692.0	6.8	6.3	10.0	9.0	1.2%	
Titan Machinery	18.14	66.9%	413.4	530.6	NM	NA	18.0	27.7	NA	
Toromont Industries	85.53	89.6%	6,953.7	6,814.0	10.7	10.3	13.9	13.0	1.7%	
Wajax Corporation	14.16	57.5%	308.6	753.9	6.2	6.1	9.7	8.8	6.9%	
Mean		73.4%	\$ 2,718.5	\$ 3,228.3	7.1x	6.7x	14.0x	14.5x	3.1%	
Median		76.0%	2,236.7	2,813.4	6.3	6.1	11.9	11.0	2.5%	

Operating Statistics

Comparable Companies	Latest Period	LTM Revenue	LTM Gross Margin	LTM EBITDA Margin	Revenue CAGR		EBITDA CAGR		Net Debt / LTM EBITDA
					'22-'24	'24-'26	'22-'24	'24-'26	
Alta Equipment Group	9/30/2024	\$ 1,900.0	26.9%	8.4%	8.9%	4.0%	8.8%	8.0%	4.5x
Finning International	12/31/2024	7,016.7	24.5%	10.9%	13.3%	(2.3%)	2.9%	9.5%	2.1
Rush Enterprises	12/31/2024	7,804.7	19.6%	9.0%	4.8%	4.2%	(0.1%)	2.7%	0.4
Titan Machinery	10/31/2024	2,794.3	17.4%	4.6%	9.9%	(4.0%)	(43.3%)	NA	0.9
Toromont Industries	12/31/2024	3,489.7	25.1%	17.2%	7.1%	3.7%	2.6%	5.1%	NM
Wajax Corporation	9/30/2024	1,535.4	20.8%	6.1%	(0.1%)	3.1%	12.7%	2.0%	4.7
Mean		\$ 4,090.2	22.4%	9.4%	7.3%	1.5%	(2.7%)	5.5%	2.5x
Median		3,142.0	22.7%	8.7%	8.0%	3.4%	2.8%	5.1%	2.1

Sources: D.A. Davidson research, D.A. Davidson investment banking and CapitalIQ as of February 21, 2025. Represents consensus estimates as of February 21, 2025. Future estimates may be subsequently updated. Note: Debt excludes floorplan financing. All figures shown in USD at historical exchange rates.

(1) Revenue growth estimates use consensus estimates as of February 21, 2024.

(2) Revenue growth estimates use consensus estimates as of February 21, 2025.



Specialty Vehicle – Selected Dealers Commentary



- **“Demand for core Material Handling equipment appears to be stable, noting ALTG’s healthy sales backlog, aided by nearshoring and electrification of commercial equipment”**

–Davidson Research (11/27/2024)

- Announced FY 3Q2024 results; net sales of \$449M and adj. EBITDA of \$43M decreased by 4% and 15% from the prior year period, respectively –Press Release (11/12/2024)



- **“In Canada, we saw product support levels stabilized quarter-over-quarter, reflecting strong activity levels in the power sector related to oil and gas activity and higher spending by mining customers, offset by continued slower activity in construction. Product support in the U.K. and Ireland is showing signs of improvement, exiting Q4 with a year-over-year increase of 5% in functional currency, with solid activity in rebuilds and power systems”**

–Kevin Parkes (President & CEO), Investor Transcript (2/5/2025)

- Announced FY 2024 results; net sales of CAD \$10.1B and adj. EBITDA of CAD \$1.2B increased by 6% and decreased by 6% from the prior year period, respectively –Press Release (2/4/2025)



- **“We anticipate [Class 8 truck] demand will improve in the second half of the year as freight rates recover. In addition, despite uncertainty around engine emissions regulations, we believe the EPS clean diesel regulations will drive some prebuy activity later this year. We are optimistic that prebuys along with strong vocational sales will allow us to achieve strong new Class 8 truck sales”**

–W.M. Rush (Chairman of the Board, President & CEO), Investor Transcript (2/19/2025)

- Announced FY 2024 results; net sales of \$7.8B and adj. EBITDA of \$464M decreased by 2% and 11% from the prior year period, respectively –Press Release (2/18/2024)



- **“In our Construction business, our performance reflects a more normalized demand environment, which was consistent with our expectations...Looking further ahead, we remain optimistic on the segment’s outlook as the federal infrastructure bill provides healthy support for the industry over the long-term, while near-term support is provided by improved equipment availability and new product introductions from our suppliers”**

–Bryan Knutson (President, CEO & Director), Investor Transcript (11/26/2024)

- Announced FY 3Q2025 results; net sales of \$680M and adj. EBITDA of \$15M decreased by 2% and 71% from the prior year period, respectively –Press Release (11/26/2024)



- **“Inventory levels are higher than the prior year, driven by a number of factors, including delivery timing, inflation, foreign exchange rates on U.S. store supplies, improving availability through the supply chain, seasonality and general activity levels”**

–Mike McMillan (President & CEO), Investor Transcript (2/12/2025)

- Announced FY 2024 results; net sales of CAD \$5.0B and operating income of CAD \$670M increased by 9% and decreased by 5% from the prior year period, respectively –Press Release (2/11/2025)



- **“We continue to see strong customer demand in the mining and energy sectors and reduced activity in industrial and forestry”**

–Iggly Domagalski (President & CEO), Investor Transcript (11/5/2024)

- Announced FY 3Q2024 results; net sales of CAD \$481M and adj. EBITDA of CAD \$37M decreased by 6% and 25% from the prior year period, respectively –Press Release (11/4/2024)

Note: Complimentary Davidson Research reports referenced above are available upon request.

Specialty Vehicle – Rental Valuation and Operating Metrics

- CY 2025 outlook for specialty vehicle rental companies has moderated as revenue growth estimates for companies in this sub-sector are now ~3%, on average
 - While still positive, the outlook for industry rental revenue has moderated some over the past year and is impacting growth rates for these companies
- 2025P EV/EBITDA multiples are currently trending modestly above the 5-year EV/NTM EBITDA average of 6.2x for this sub-sector
 - H&E announced in February 2025 that they terminated their prior agreement to be acquired by United Rentals and accepted a higher purchase offer from Herc; H&E's share price and trading multiples have trended higher since the announcement

CY2025 Revenue Growth Estimates

■ 2/21/2024 (~6% Avg.)⁽¹⁾ ■ 2/21/2025 (~3% Avg.)⁽²⁾



Valuation Statistics

Comparable Companies	Share Price	As % of		Market Cap	Enterprise Value (EV)	EV/EBITDA		EV/EBIT		Dividend Yield
		LTM High	Market Cap			2025P	2026P	2025P	2026P	
Ashtead Group plc	\$ 61.84	75.9%	\$ 26,882.5	\$ 37,827.8	7.1x	6.6x	13.2x	12.0x	2.0%	
Custom Truck One Source, Inc.	4.62	70.4%	1,040.8	2,601.0	6.7	6.2	16.9	14.1	NA	
H&E Equipment Services, Inc.	98.14	96.9%	3,544.5	4,975.6	7.1	6.6	19.8	19.3	1.1%	
Herc Holdings Inc.	163.97	66.4%	3,869.4	7,977.4	4.8	4.5	10.1	9.1	1.6%	
Ryder System, Inc.	164.95	96.0%	6,941.9	14,566.9	4.9	4.6	13.0	11.9	2.0%	
U-Haul Holding Company	71.60	90.6%	12,710.4	18,437.9	9.9	9.9	26.4	24.5	NA	
United Rentals, Inc.	657.29	73.3%	42,925.7	55,874.7	7.6	7.2	13.1	12.2	1.0%	
Mean		81.4%	\$ 13,987.9	\$ 20,323.1	6.9x	6.5x	16.1x	14.7x	1.5%	
Median		75.9%	6,941.9	14,566.9	7.1	6.6	13.2	12.2	1.6%	

Operating Statistics

Comparable Companies	Latest Period	LTM Revenue	LTM Gross Margin	LTM EBITDA Margin	Revenue CAGR		EBITDA CAGR		Net Debt / LTM EBITDA
					'22-'24	'24-'26	'22-'24	'24-'26	
Ashtead Group plc	10/31/2024	\$ 10,979.8	NM	43.5%	7.4%	7.5%	9.8%	8.3%	2.3x
Custom Truck One Source, Inc.	9/30/2024	1,803.3	22.1%	19.7%	7.7%	5.0%	(6.5%)	10.8%	4.4
H&E Equipment Services, Inc.	12/31/2024	1,516.6	44.5%	45.9%	10.4%	4.6%	(27.9%)	64.0%	2.1
Herc Holdings Inc.	12/31/2024	3,568.0	37.8%	44.4%	14.1%	5.3%	13.6%	5.9%	2.6
Ryder System, Inc.	12/31/2024	12,636.0	19.6%	21.3%	2.6%	5.3%	1.6%	8.4%	2.8
U-Haul Holding Company	12/31/2024	5,691.1	28.4%	29.2%	(1.6%)	3.5%	(13.4%)	5.7%	3.5
United Rentals, Inc.	12/31/2024	15,345.0	40.5%	46.7%	14.8%	4.4%	12.9%	4.1%	1.8
Mean		\$ 7,362.8	32.2%	35.8%	7.9%	5.1%	(1.4%)	15.3%	2.8x
Median		5,691.1	33.1%	43.5%	7.7%	5.0%	1.6%	8.3%	2.6

Sources: D.A. Davidson research, D.A. Davidson investment banking and CapitalIQ as of February 21, 2025. Represents consensus estimates as of February 21, 2025.

Future estimates may be subsequently updated.

Note: Debt excludes floorplan financing. Custom Truck One Source financial metrics are adjusted for its combination with Nesco. All figures shown in USD at historical exchange rates.

(1) Revenue growth estimates use consensus estimates as of February 21, 2024.

(2) Revenue growth estimates use consensus estimates as of February 21, 2025.



Specialty Vehicle – Selected Rental Commentary



- “Some things have started to move in the right direction, e.g., beginning of interest rate cuts, some clarity following the U.S. election, and we’re seeing increased planning activity, so this will rebound, and I think quite strongly, but it will take some time for [the local and regional] segments of the construction market to see a meaningful uptick in projects actually breaking ground” –*Brendan Horgan (CEO), Investor Transcript (12/10/2024)*
- Announced FY 2Q2025 results; net sales of £2.9B and EBITDA of £1.4B increased by 2% and 4% from the prior year period, respectively –*Press Release (12/10/2024)*



- **“Utilization improved sequentially for the first time in two years and appears to have improved thus far in October. Management’s comments indicated that the temporary Transmission & Distribution headwinds seen in recent quarters appear to be abating—and recent storms are not the key driver”** –*Davidson Research (10/30/2024)*
- Announced FY 3Q2024 results; net sales of \$447M and adj. EBITDA of \$80M increased by 3% and decreased by 20% from the prior year period, respectively –*Press Release (10/30/2024)*



- Announced the termination of its prior merger agreement with United Rentals and its entry into a new definitive agreement under which Herc Rentals will acquire H&E for ~\$5.3B, reflecting an EV / FY 2024 Adj. EBITDA multiple of ~7.7x –*Press Release (2/19/2025)*
- Announced FY 2024 results; net sales of \$1.5B and adj. EBITDA of \$685M decreased by 3% and remained unchanged from the prior year period, respectively –*Press Release (2/21/2025)*



- “For 2025, we’re seeing continued strength signals for mega projects in LNG, data centers, semiconductors, along with strength in health care, education and infrastructure. New projects, together with increasing demand for specialty solutions, the special contribution from industrial and commercial maintenance projects...and the ramp-up of mega project starts from the back half of 2024 should more than offset the persistent weakness in interest rate-sensitive local markets” –*Lawrence Silber (President, CEO & Director), Investor Transcript (2/13/2025)*
- Announced FY 2024 results; net sales of \$3.6B and adj. EBITDA of \$1.6B both increased by 9% from the prior year period –*Press Release (2/13/2025)*



- “We expect to see typical seasonal patterns in rental most of [2025] and slightly better than seasonal trends later in the year, reflecting an anticipated slow freight recovery. We also expect rental utilization to improve modestly from the prior year on a 4% smaller average fleet” –*Robert Sanchez (Chairman & CEO), Investor Transcript (2/12/2025)*
- Announced FY 2024 results; net sales of \$12.6B and adj. EBITDA of \$2.8B increased by 7% and 4% from the prior year period, respectively –*Press Release (2/12/2025)*



- “Capital expenditures for new rental equipment for the first 9 months were \$1.587 billion. That’s a \$237 million increase compared to the same 9-month period last year” –*Jason Berg (CFO), Investor Transcript (2/6/2025)*
- Announced FY 3Q2025 results; net sales of \$1.4B and operating profit of \$151M increased by 4% and decreased by 24% from the prior year period, respectively –*Press Release (2/5/2025)*



- “By vertical, we continue to see similar trends to the rest of last year with nonresidential growth helping to fuel construction and industrial growth driven by manufacturing and power. And we saw new projects across data centers, chip manufacturing, sports stadiums and power to name a few” –*Matt Flannery (President, CEO & Director) Investor Transcript (1/30/2025)*
- Announced FY 2024 results; net sales of \$15.3B and adj. EBITDA of \$7.2B increased by 7% and 4% from the prior year period, respectively –*Press Release (1/29/2025)*

Note: Complimentary Davidson Research reports referenced above are available upon request.



Davidson's Leading Specialty Vehicle Transaction Experience

has completed a secondary offering of common stock

\$41,112,500

Dealer & distributor of construction & material handling equipment

a portfolio company of

TGP INVESTMENTS

has been acquired by

SELL-SIDE ADVISOR

Provider of hydraulic & pneumatic products for trucks & trailers

has completed a secondary offering of common stock

\$103,500,000

Designer & manufacturer of school buses

a portfolio company of

has been acquired by

SELL-SIDE ADVISOR

Provider of air compression and power systems for work trucks

IPO and follow-on offerings

Manufacturer & upfitter of work truck equipment

has been acquired by

Distributor of agricultural and construction equipment

has been acquired by

a portfolio company of

Upfitter for law enforcement and specialty commercial vehicles

has been acquired by

a portfolio company of

Dealer & distributor of infrastructure & environmental equipment, parts and service

a portfolio company of

has been acquired by

Manufacturer & upfitter for municipal and commercial applications

a portfolio company of

has been acquired by

Manufacturer of recycling, forestry & biomass and tree care equipment

has completed a secondary offering of common stock

\$ 303,600,000

Designer & manufacturer of specialty vehicles

has been acquired by

a portfolio company of

Provider of construction and compact utility vehicles and equipment

a portfolio company of

has acquired

Manufacturer of van & truck shelving and storage systems

has divested

Emergency Response Segment

to

Manufacturer of custom fire truck cabs & chassis and apparatus

has been acquired by

Manufacturer of delivery & service vehicles

a portfolio company of

has been acquired by

Manufacturer of vehicle-mounted aerial lifts and bridge equipment

Note: Includes transactions that Davidson investment bankers advised on at prior firms.



Case Study: Sale of Boss Industries to Graycliff

Transaction Overview

- Davidson served as financial advisor to Boss Industries ("Boss"), a portfolio company of Wynnchurch Capital, on its sale to Graycliff Partners
- Boss is a leader in power-take-off and engine-driven air technology, offering a full line of vehicle-integrated compressors, generators, spray coating systems and vapor recovery systems
- Attractive financial profile with long-term double-digit revenue growth and premium margins supported by an asset-light business model and strong backlog
- Transaction closed in December 2024



a portfolio company of



has been acquired by



Boss Company Overview

Key Figures

70+
Employees

1,000+
Customers

1,000+
SKUs

Key Products

Vehicle-Mounted Equipment



Other Related Systems



Selected Applications

Paint Stripping Vehicles



Service / Technician Vehicles



Underground Utility Maintenance





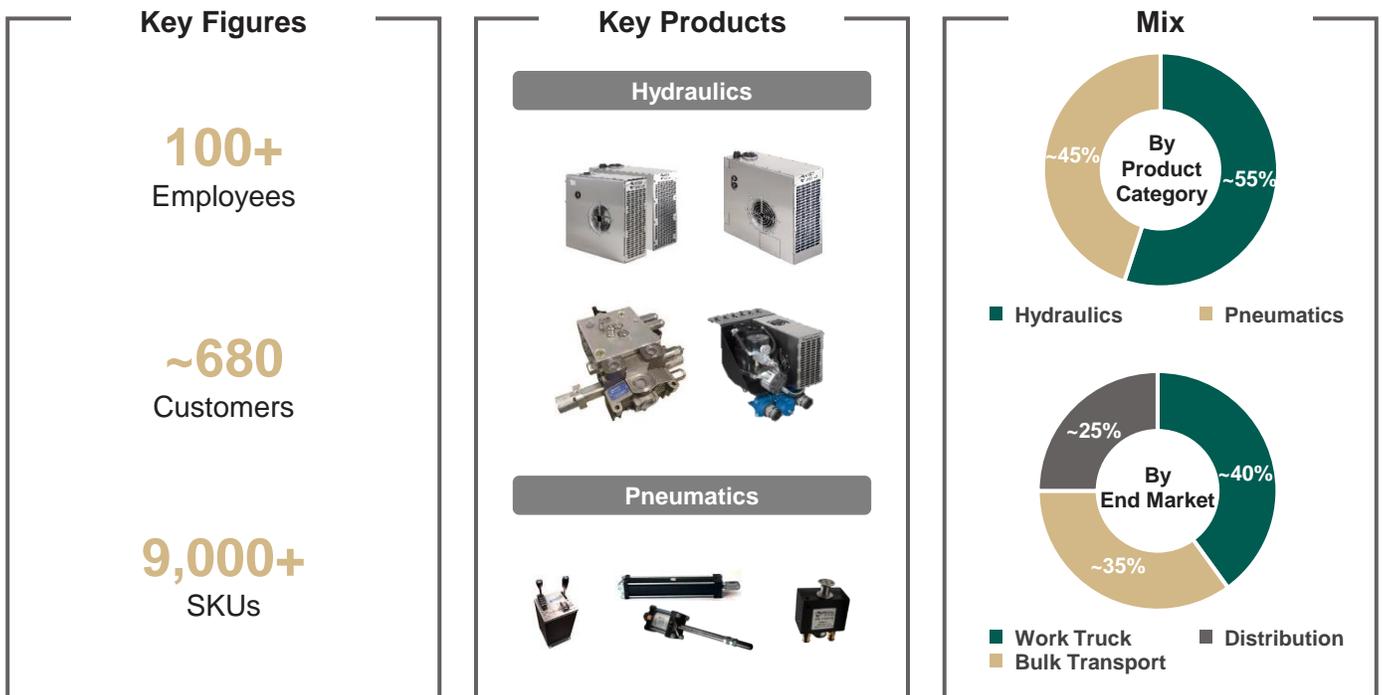
Case Study: Sale of APSCO to Ingersoll Rand

Transaction Overview

- Davidson served as financial advisor to Air Power Systems Co. (“APSCO”) on its sale to Ingersoll Rand
- APSCO is a leading provider of hydraulic and pneumatic products and engineered solutions for medium and heavy-duty trucks & trailers
- Ingersoll Rand is a leading provider of flow creation and compression technologies including pumps, compressors and fluid management systems
- Transaction closed in September 2024



APSCO Company Overview





Case Study: REV Group Secondary Offering

Transaction Overview

- Davidson served as an underwriter on an upsized secondary common stock offering for REV Group, Inc. (“REVG” or the “Company”)
- Offering consisted of 18,400,000 shares of common stock priced at \$16.50 per share
- REVG is a leading designer, manufacturer and distributor of specialty vehicles and related aftermarket parts and services
- Provides customized vehicle solutions for several applications, including essential needs for public services, commercial infrastructure and consumer leisure
- Transaction closed in February 2024

has completed a secondary offering of common stock

\$ 303,600,000

REV Group Company Overview

Key Figures ⁽¹⁾	Key Products	Select Brands
<p>~\$2.4B Revenue</p> <p>\$140M+ Adj. EBITDA</p> <p>6,500+ Employees</p>	<p>Specialty Vehicles</p> <p>Recreational Vehicles</p>	

(1) As reported in REV Group’s January 2024 strategic update presentation. Financial metrics exclude Collins Bus and ENC.



Case Study: Alta Equipment Group Secondary Offering

Transaction Overview

- Davidson served as lead bookrunner on a secondary common stock offering for Alta Equipment Group Inc. (“ALTG” or the “Company”)
- Offering consisted of 2,530,000 shares of common stock priced at \$16.25 per share
- ALTG owns and operates one of the largest integrated equipment dealership platforms in the U.S. and has a presence in Canada
- Through the Company’s branch network, ALTG sells, rents and provides part and service support for several categories of specialized equipment
- Transaction closed in July 2023



has completed a secondary
offering of common stock

\$41,112,500

Alta Equipment Group Company Overview

Key Figures⁽¹⁾

~\$1.7B
Revenue

~10%
Adj. EBITDA Margin

~2,800
Employees

14
Acquisitions
Since 2020

Key Products



Material Handling



Construction



E-Mobility



Distribution

Select Brands



(1) As reported in Alta Equipment Group’s May 2023 investor presentation.



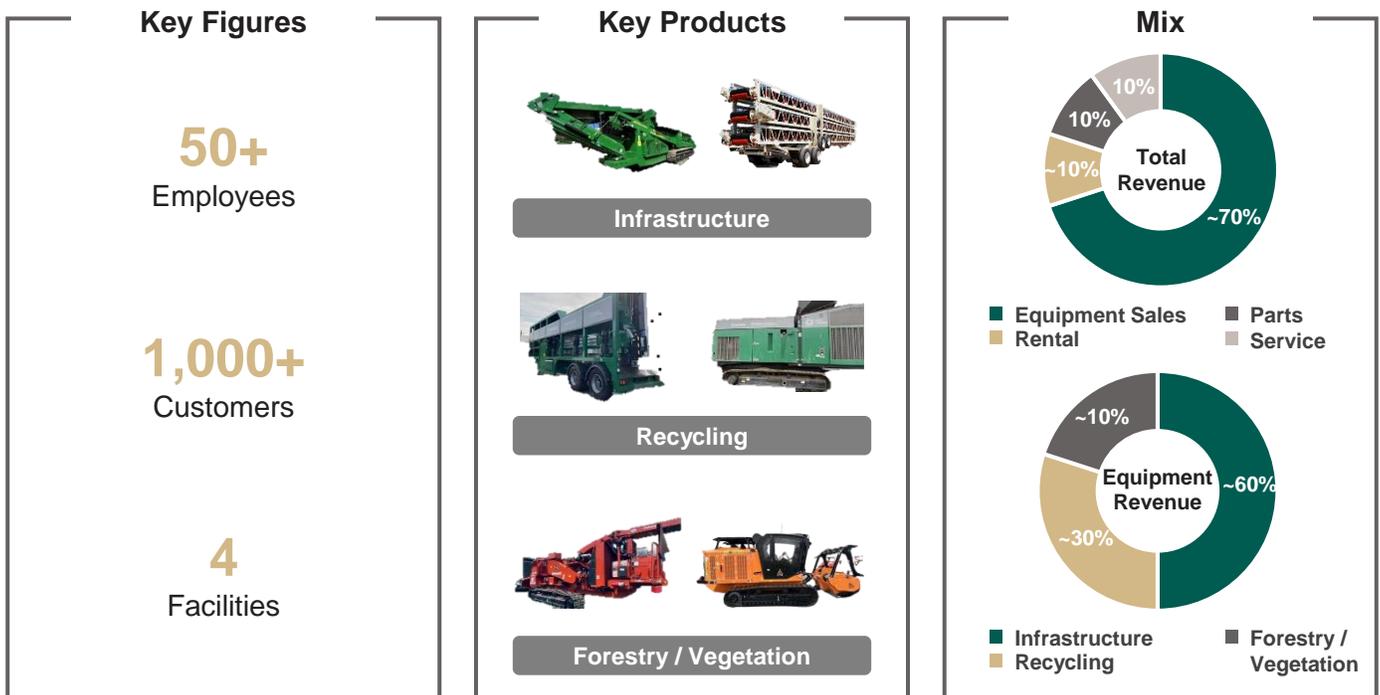
Case Study: Sale of Maverick Environmental Equipment to Grand Equipment

Transaction Overview

- Davidson served as financial advisor to Maverick Environmental Equipment (“Maverick”) on its sale to Grand Equipment Company (“Grand”), a portfolio company of Cognitive Capital Partners (“Cognitive”)
- Maverick is a leading regional dealer and distributor of critical infrastructure and environmental equipment, parts and service
- Grand is a full-service equipment dealer, offering new and used equipment sales, parts, service and a dedicated rental fleet
- Transaction closed in June 2023



Maverick Environmental Equipment Company Overview





Case Study: Blue Bird Corporation Secondary Offering

Transaction Overview

- Davidson served as an underwriter on a secondary common stock offering for Blue Bird Corporation (“Blue Bird” or the “Company”)
- Offering consisted of 5,175,000 shares of common stock priced at \$20.00 per share
- Blue Bird is a leading designer and manufacturer of alternative powered school buses, including propane, gasoline, compressed natural gas and all-electric-powered buses
- Transaction closed in June 2023

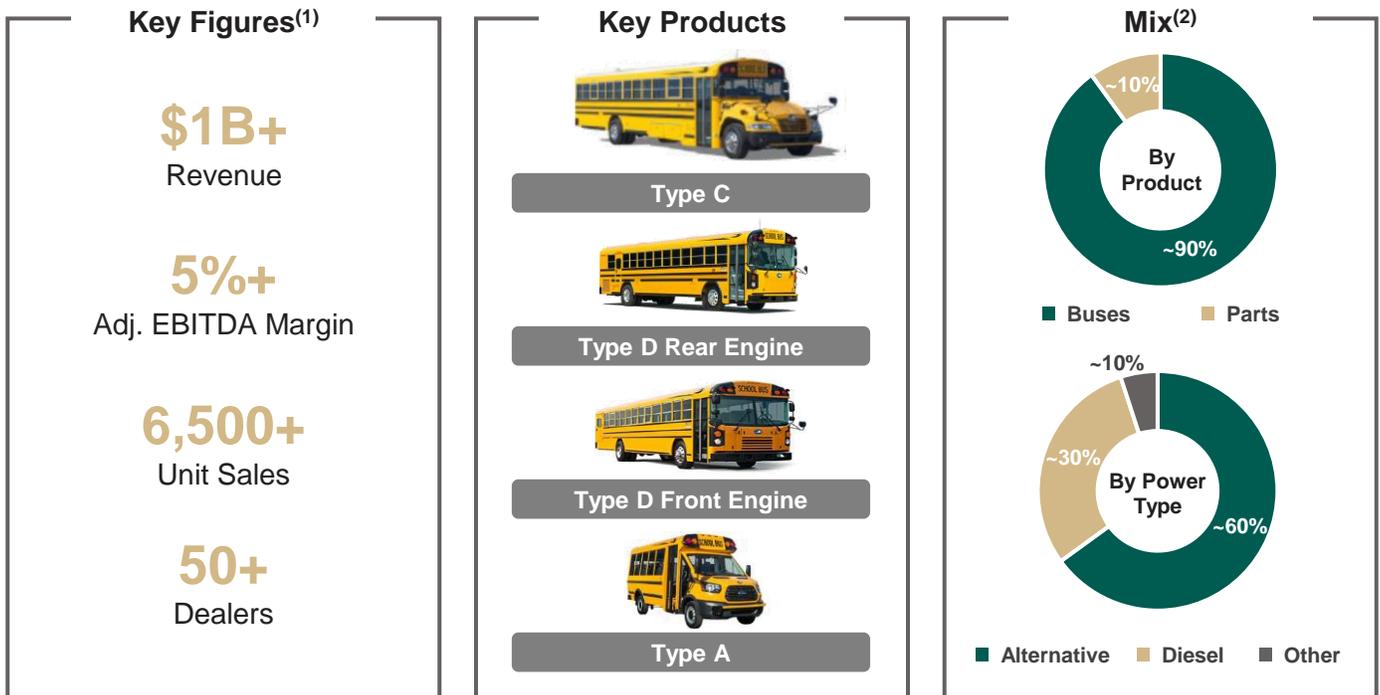


BLUE BIRD

has completed a secondary offering of common stock

\$103,500,000

Blue Bird Corporation Company Overview



(1) Revenue and EBITDA margin based on FY2023 guidance as of May 2023.
 (2) Based on April 2023 LTM financials



Case Study: Sale of Kerr Industries to Safe Fleet

Transaction Overview

- Davidson served as financial advisor to Kerr Industries (“Kerr” or “the Company”) on its sale to Safe Fleet, a portfolio company of Oak Hill Capital
- Kerr is a leading specialty vehicle upfitter, providing highly engineered, integrated solutions for the law enforcement, emergency response and specialty commercial vehicle markets
- Safe Fleet is a supplier of safety and productivity solutions for fleet vehicles
- Transaction closed in September 2022



has been acquired by



a portfolio company of



Kerr Industries Company Overview

Key Figures

12,500+
Annual Vehicles
Upfitted

125+
Employees

5
Facilities

Key Products



Lighting & Technology



Safety / Prisoner Containment



Specialized Storage

Vehicle Types



Municipal / Law Enforcement



Specialty Commercial



Case Study: Sale of Heartland AG Systems to Titan Machinery

Transaction Overview

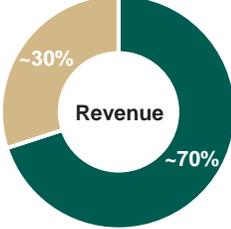
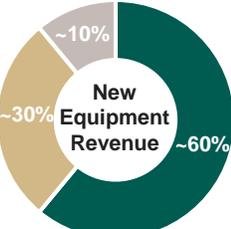
- Davidson served as financial advisor to Heartland AG Systems (“Heartland” or “the Company”) on its sale to Titan Machinery (NASDAQ:TITN)
- Heartland is the largest CASE IH Application Equipment distributor in North America and one of the leading national distributors for sprayer parts and accessories to co-operatives and farm service providers
- Titan Machinery sells and repairs agricultural equipment, including machinery and attachments for large-scale farming and home and gardening purposes, as well as construction equipment
- Transaction closed in August 2022



has agreed to be acquired by



Heartland AG Systems Company Overview

<p>Key Figures</p> <p>\$200M+ Revenue</p> <p>~25% Gross Margin</p> <p>12 Retail Stores</p> <p>4 Acquisitions Since 2014</p>	<p>Key Products</p>  <p>New Equipment</p>  <p>Used Equipment</p>  <p>Parts & Service</p>	<p>Mix</p>  <p>Revenue</p> <ul style="list-style-type: none"> Parts & Service ~70% Equipment (New & Used) ~30%  <p>New Equipment Revenue</p> <ul style="list-style-type: none"> Case IH ~60% Other Brands ~30% Manufactured Products ~10%
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Case Study: Sale of Monroe Truck Equipment to Aebi Schmidt Group

Transaction Overview

- Davidson served as financial advisor to Monroe Truck Equipment (“Monroe” or “the Company”) on its sale to Aebi Schmidt Holding AG (“ASH”)
- Monroe is a leading snow and ice equipment, truck bodies and trailer manufacturer and upfitter for municipal and commercial applications
- Aebi Schmidt Group manufactures special-purpose vehicles and attachments, offering winter maintenance technology products including snow clearance and de-icing equipment
- Transaction closed in December 2021



a portfolio company of



INDUSTRIAL
OPPORTUNITY
PARTNERS

has been acquired by



Monroe Truck Equipment Overview

Key Figures

~\$270M
Revenue

2
Acquisitions
Since 2017

9
Facilities

Key Products



Snow & Ice



Truck Equipment



Trailers

Select Brands



SOUTHERN COACH
A MONROE TRUCK EQUIPMENT, INC. COMPANY

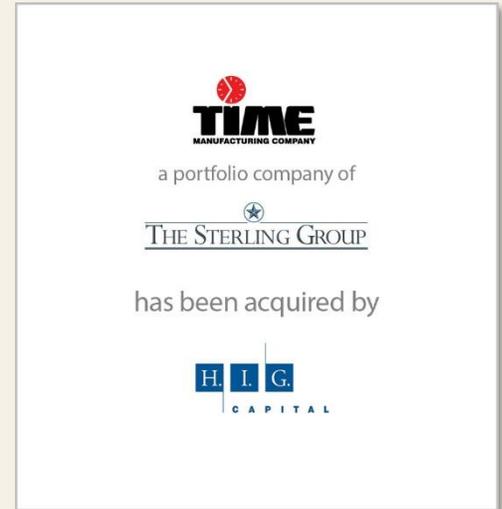




Case Study: Sale of Time Manufacturing to H.I.G. Capital

Transaction Overview

- Davidson served as financial advisor to Time Manufacturing Company (“Time”) on its sale to H.I.G. Capital
- Time is a global designer, manufacturer and distributor of vehicle-mounted aerial lifts, truck bodies and bridge inspection units across critical applications
- H.I.G. Capital is a global alternative assets investment firm primarily focused on small and medium sized companies in specialty manufacturing, building products and industrials
- Transaction closed in December 2021



Time Manufacturing Company Overview

Key Figures

2,000+
Employees

9
Manufacturing
Facilities

9
Acquisitions
Since 2018

Key Products



Non-Insulated Lifts



Insulated Lifts



High Access Lifts



Fiberglass Bodies

Select Brands





Case Study: Sale of RJV Equipment to Hills Machinery

Transaction Overview

- Davidson served as financial advisor to RJV Equipment, LLC (“RJV”) on its sale to Hills Machinery Company, a portfolio company of Prophet Equity, in November 2021
- RJV is a Tennessee-based dealer and rental company of Ditch Witch and Kubota equipment complemented by an offering of parts and maintenance services
- RJV has dealerships in Nashville and Knoxville, and services a diverse customer base within the utility infrastructure and commercial construction end markets
- Transaction closed in November 2021

RJV Equipment has been acquired by Hills Machinery, a portfolio company of Prophet Equity.

RJV Equipment Company Overview

<p>Key Figures</p> <p>35 Employees</p> <p>~20 OEM Equipment Brands</p> <p>2 Facilities</p>	<p>Key OEMs</p> <p>Ditch Witch Kubota</p> <p>Primary OEMs</p> <p>ANA, BLUE DIAMOND ATTACHMENTS, CAM SUPERLITE, Chicago Pneumatic, Cummins, DEUTZ, Diamond MACHINERY, Epiroc, ERSKINE, FELLING TRAILERS, KOHLER, Land Pride, PALADIN, USA ATTACHMENTS, VACUWORX, YANMAR</p> <p>Complementary OEMs</p>	<p>New Equipment Offering</p> <p>Ditch Witch</p> <ul style="list-style-type: none"> Directional Drills Trenchless Tools Vacuum Excavators Track Loaders <p>Kubota</p> <ul style="list-style-type: none"> Excavators Skid Steers
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An Experienced, Proven and Trusted Advisor in the Specialty Vehicle Sector

- Eric Stetler leads Davidson's Specialty Vehicle practice with over 15 years of experience
- Davidson's investment bankers have advised on several high-profile transactions within the Specialty Vehicle space, with nearly \$3 billion in total transaction value over the last five years
- Deep experience working with privately owned, financial sponsor backed and public companies within the Specialty Vehicle sector

Diversified Industrials Investment Banking Team



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Comprehensive Research Coverage in the Specialty Vehicle Sector

- Michael Shlisky joined Davidson in 2021 with over 15 years of experience in equity research
- Previously worked at Colliers, Seaport Global and J.P. Morgan
- Comprehensive coverage focused on specialty vehicle, electric vehicle and mobile industrial equipment

Specialty Vehicle Research Coverage



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Machinery and Clean Tech
Industry Update
Business of Buys: February 2024 Update

This industry data that we have received for January revealed a 2% increase in the month, as past order season changes. That said, school bus, 10% Y/Y in January. Cargo were very strong during the season. We are already modeling BLD's second shipment quarter of the year production backlog which is an all-time high over again. Industry Research continues to expect healthy growth in units through 2025. If our coverage, 42,000 BLD Y/Y and 1.21 BLD Y/Y participate in the school bus.

- **Total bus orders up 9% Y/Y in January:** school buses up 9%, bus orders were 2.02 units, up 1% Y/Y, vs. up 10% in December. In the key school bus category, orders were up 9% Y/Y in January.
- **Total bus production down 3% Y/Y in January:** school bus total industry bus production was 1.82 units, down 3% Y/Y, vs. up 1% in November. In the key school bus category, production was down 3% Y/Y in January.
- **Total bus retail sales down 8% Y/Y in January:** school bus total industry bus retail sales were 2.01 units, down 8% Y/Y, vs. up 1% in November. In the key school bus category, sales were up 1% in November. Total bus backlog was up 3% Y/Y, vs. up 7% in November. Total bus backlog was up 3% Y/Y, vs. up 7% in November. Total bus backlog was up 3% Y/Y, vs. up 7% in November.
- **Total bus backlog up 1% Y/Y in January:** school bus backlog total industry bus backlog was 28,422 units, up 1% Y/Y, vs. up 7% in November. Total bus backlog was up 3% Y/Y, vs. up 7% in November.
- **Total bus inventories up 1% Y/Y in January:** school bus, industry bus inventories were 2,014 units, up 1% Y/Y, vs. up 1% in November. In the key school bus category, inventories were up 1% Y/Y in January.
- **State and local tax receipts up Y/Y in Q4 2023 (latest period available):** A key driver of school bus procurement is the state and local tax receipts. The receipts were up 1% in the first quarter of '24 following two consecutive quarters of decline since the Great Recession. We expect Q2 23 information.
- **What to do with the stocks: Buy BLD, LEV.** The school bus industry continues to be a strong performer. To look at the school bus industry, we are looking at BLD, LEV, and other companies. We are looking at BLD, LEV, and other companies. We are looking at BLD, LEV, and other companies.

Please refer to pages 5 - 8 of this report for detailed disclosure or

DAVIDSON
Institutional Equity Research

Machinery
Industry Update
Institutional Ownership & Trading Update: February 2024

We analyzed recent 13F filings on companies within our coverage universe, tracking major institutional moves in and out of these stocks in Q4. We have highlighted a few key institutional moves below. Interestingly, hedge funds were buyers of DE in Q4, while long-only players were sellers. We also learned that the top 10 institutional investors in Q4, opening the door for significant voluntary insider buying. We also provide an update in the note on the CAT vs. DE top 100 trade, an ever-evolving situation. Clients report that the Ag sector will be returning to mid-cycle in 2024. Investors are positioned the longest toward DE of 7 years.

CAT vs. DE: the long-term battle continues

- **Long DE/short CAT:** long CAT/short DE-the never-ending trade. Some institutional players have been known to trade DE and CAT counteractively, choosing one long and one short. For example, an investor can buy DE in an effort to be bullish on the Ag sector, while being a short position in CAT to hedge construction equipment risk. This trade can also be executed for investors who wish to short the Ag sector. One such example of the long-short trade took place in August 2023, when DE's CEO mentioned a \$500M structural cost reduction on the F2024 conference call. While DE's shares spiked at the time, short interest in CAT immediately peaked.
- **The DE/CAT trade is the most-extended toward long DE in 7 years.** The CAT/DE trade has been long DE for most of the last three years, after a sharp shift in the middle. That said, during Q4, the net trade was more skewed toward DE than we have seen since 2016, however, since October 2022, the net trade has been toward CAT on the long side for an appropriate period of time. The general net trade has gradually skewed more and more toward long DE/short CAT (see Figure 1 and Page 2), while there could be an array of fundamental explanations for this activity, the net long DE positioning suggests that news of the 2024 Ag downturn has already been received and digested as a response to the major shift from the beginning of a lift event for the sector.

Key takeaways from recent institutional transactions

- **Hedge fund buyers, long-only sellers of DE in Q4:** A list of large institutional buyers and sellers of DE during Q4 reveals a broad-based hedge fund long position and long-only players selling the stock. Among buyers of DE shares, we noted Viking and Latitude as top 3 investors in the quarter. Among sellers, Wellington, Fidelity, and TAA-CREF made up the top 3 sellers.
- **CTOS had several large players close out their positions:** this may explain the single day of significant downward in Q4. CTOS shares declined ~10% after 2023 earnings on an annual basis have been consistent about the time on the institutional call during a decline in work, and the outlook for Electrical T&D and CTOS's leadership remained strong. However, large players such as Fidelity and J.P. Morgan Asset Management closed out significant positions in the quarter, reportedly after the stock declined. CTOS's CEO and other members of management made significant voluntary purchases of the stock.
- **Significant movement around CMR's move to a sale listing in New York:** CMR officially removed its listing in Milan at the end of Q4, focusing solely on the NYSE. In advance of the event, we believe several large institutions used CMR's shares as they were no longer suitable for their portfolio. For example, institutional funds which are not permitted to hold US stocks, CMR's shares were sold for the remainder of the quarter. As such, these funds were significant sellers of CMR's stock. In addition to the quarter, we believe other funds made portfolios changes after the start of H2 24, but by the end of the quarter CMR's institutional shareholders' fund remained.
- **There were a few significant moves in Clean Tech in the quarter:** beyond the issuance of new equity. During Q4, T. Rowe Price, already a top 5 holder of RPL, appears to have added 20% of CBM shares to its position. Capital Research and Wellington were among the institutional investors who substantially reduced positions.

Please refer to pages 16 - 27 of this report for detailed disclosure and certification information.

D.A. Davidson & Co. Member SIPC

SPECIALTY VEHICLE / MOBILE EQUIPMENT



(1) ALTA and IDEX are covered by Matt Summerville.



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Glossary of Terms & Other Important Information

EBITDA – Earnings before interest, taxes, depreciation & amortization. An approximate measure of a company's operating cash flow based on data from the company's income statement.

EBIT – Earnings before interest and taxes. A measure of a company's earning power from ongoing operations, equal to earnings before deduction of interest payments and income taxes.

Enterprise Value (EV) – Market value of equity plus debt less cash. A measure of what the market believes a company's ongoing operations are worth.

LTM – Last twelve months. Time period used when referencing a financial statistic.

NTM – Next twelve months. Time period used when referencing a financial statistic.

The S&P 500 – An unmanaged common stock index commonly used to measure and report common stock performance.



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