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Douglas Dynamics Announces Agreement to Acquire Dejana Truck and Utility Equipment

Transaction Would add a Premier Up Fitter and Specialized Manufacturer Focused on Commercial Work Vehicles in the Eastern U.S.

MILWAUKEE, June 16, 2016 (GLOBE NEWSWIRE) -- Douglas Dynamics, Inc. (NYSE:PLOW), North America's premier manufacturer of vehicle attachments and equipment, today announced it has entered into a definitive agreement to acquire Dejana Truck and Utility Equipment (Dejana) for \$206 million, including a \$26 million performance earn out provision. The transaction is subject to customary regulatory approvals and other closing conditions and is expected to close during the third quarter of 2016.

Acquisition Highlights:

- | Acquisition would significantly strengthen position as a premier manufacturer and up fitter of vehicle attachments and equipment
- | Increasing exposure to Class 4-6 trucks would round out capabilities across all commercial work vehicle segments, providing growth opportunities
- | Adding Dejana is expected to diversify revenue and reduce influence of weather
- | Company plans to utilize DDMS to help Dejana continue its strong growth trajectory, with five consecutive years of growth
- | Deal is expected to close in Third Quarter 2016 and be accretive to earnings in 2017

Over the past 59 years, Dejana has grown organically to become the premier up fitter of Class 4-6 trucks and other commercial work vehicles in the Eastern U.S. Dejana also is a leading specialized manufacturer of storage solutions for trucks and vans and cable pulling equipment for trucks. Dejana is a well-run family-owned business that has a long track record of growth and a strong reputation within the truck equipment industry. Dejana has built strong relationships with leading truck OEMs over more than 25 years and is considered a trusted partner for up fitting all types of commercial work vehicles. Dejana generated net sales of \$145 million over the trailing twelve months ending March 31, 2016.

The acquisition of Dejana is a natural extension and expansion of the up fit strategy initiated with the Henderson Products acquisition at the end of 2014. By increasing its exposure to Class 4-6 trucks the Company is both focusing on its core competencies and rounding out its capabilities across all commercial work vehicle segments, providing meaningful opportunities for growth.

"The addition of such a high quality company as Dejana will significantly strengthen our position as a premier manufacturer and up fitter of vehicle attachments and equipment. The deal provides a new complementary portfolio of services and products to drive deeper customer relationships, and expands our geographic footprint in the Eastern U.S.," said James L. Janik, Chairman, President, and Chief Executive Officer of Douglas Dynamics, Inc. "The deal is the logical next step in our stated M&A strategy to accelerate growth. By expanding into a broader arena of commercial work vehicle operations we will diversify and expand our revenue and continue to reduce the influence of weather on our overall business."

"On behalf of my father, Pete Dejana, who founded our company in 1957, and the rest of the Dejana family, we are pleased to be joining such a great organization as Douglas Dynamics," said Andrew Dejana, President of Dejana, "We are very proud of the legacy we have built and are happy that the Dejana name will continue to provide innovative, best in class, cost effective solutions for many years to come. We look forward to working with the Douglas team to build upon the successful partnership we have developed over the past 25 years."

By utilizing the Company's proprietary Douglas Dynamics Management System (DDMS), the Company plans to assist Dejana to continue its growth trajectory and deliver industry leading service levels. The Company expects DDMS implementation to continue to drive cost savings and margin improvement through global sourcing and procurement.

Once the deal is completed, the Dejana management team, including its President, Andrew Dejana, will continue to lead Dejana. The acquisition is expected to be accretive to earnings per share on a full-year basis in 2017. Douglas Dynamics intends to fund the acquisition through a combination of cash, ABL revolver draw and an expansion of its existing term loan agreement.

Dejana maintains seven manufacturing and up fit facilities that encompass 240,000 square feet of work space on over 90 acres of property in the North East and Mid-Atlantic regions. Dejana currently employs approximately 500 people in five states and current customers include leading utility, energy, telecommunications and transportation companies, as well as large municipal entities.

Conference Call and Webcast Information

The Company will host a conference call on Thursday, June 16, 2016 at 11:00 a.m. Eastern Time (10:00 a.m. Central Time). The conference call will be available via the Investor Relations section of the Company's website at www.douglasdynamics.com. To listen to the live call, please go to the website at least fifteen minutes early to register, download and install any necessary audio software.

To listen to the conference call by phone, dial (877) 369-6591 in the U.S. or (253) 237-1176 internationally. The Conference ID is #33327521. For those who cannot listen to the live broadcast, a replay of the conference call will be available until June 23rd, 2016. To access the replay, please dial (855) 859-2056 in the U.S., or (404) 537-3406 internationally.

About Douglas Dynamics

Home to the most trusted brands in the industry, Douglas Dynamics is North America's premier manufacturer of vehicle attachments and equipment. For more than 65 years, the Company has been innovating products that not only enable people to perform their jobs more efficiently and effectively, but also enable businesses to increase profitability. Our commitment to continuous improvement enables us to consistently produce the highest quality products and drive shareholder value. The Douglas Dynamics portfolio includes snow and ice management attachments sold under the FISHER®, WESTERN®, HENDERSON® and SNOWEX® brands. Additional information is available at www.douglasdynamics.com.

Forward Looking Statements

This press release contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information relating to future events, future financial performance, strategies, expectations, competitive environment, regulation, product demand, the payment of dividends, and availability of financial resources. These statements are often identified by use of words such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will" and similar expressions and include references to assumptions and relate to our future prospects, developments and business strategies. Such statements involve known and unknown risks, uncertainties and other factors that could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the possibility that we may not complete the acquisition of Dejana due to one or more of the conditions to closing remaining unsatisfied or other circumstances, our inability to secure financing to fund the acquisition, the potential for Dejana not to achieve projected financial performance, unanticipated challenges related to the integration of the Dejana business and unexpected costs or liabilities related to the acquisition of Dejana. Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements. In addition, the forward-looking statements in this release speak only as of the date hereof and we undertake no obligation, except as required by law, to update or release any revisions to any forward-looking statement, even if new information becomes available in the future.

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