



## **Douglas Dynamics Refinances \$375 Million Credit Facility**

June 8, 2020

### **Also Completed Successful Restart of Operations in May as Planned**

MILWAUKEE, June 08, 2020 (GLOBE NEWSWIRE) -- Douglas Dynamics, Inc. (NYSE: PLOW), North America's premier manufacturer and upfitter of work truck attachments and equipment, today announced it has refinanced its existing senior secured credit facilities with \$375 million of new credit facilities, consisting of a \$275 million 6-year Senior Secured Term Loan B Facility due June 2026 and a \$100 million 3-year Senior Secured ABL Revolving Credit Facility due June 2023. The proceeds from the borrowings will be used for general corporate purposes, including repaying the entirety of the company's prior \$226 million Term Loan B Facility that was scheduled to mature on December 31 2021.

"In addition to extending our debt maturities, this refinancing transaction provides us with what we believe is the right capital structure, enhances our liquidity, and reinforces our robust financial position," noted Sarah Lauber, Chief Financial Officer. "The strong interest and commitments we received during the refinancing process meant we were able to finalize with favorable terms, which is particularly important in the current economic environment."

The new Term Loan B Facility is priced at LIBOR plus 3.75%, subject to a 1.00% LIBOR floor, does not contain a financial maintenance covenant, and includes similar restrictive covenants as the company's prior Term Loan B Facility. The new Revolving Credit Facility is initially priced at LIBOR plus 2.00%, subject to a 1.00% LIBOR floor, and the applicable margin is subject to periodic adjustment based on a pricing grid ranging from 1.75% to 2.25% depending on the company's average daily excess availability under the facility. The new Revolving Credit Facility is subject to a borrowing base and includes similar restrictive covenants as the company's prior Revolving Credit Facility, including a springing minimum fixed charge coverage ratio covenant which is triggered when the company's excess availability under the facility is below a specified level. J.P. Morgan acted as Lead Arranger, Lead Bookrunner and Administrative Agent for both Credit Facilities, while Foley & Lardner LLP acted as legal counsel to the company.

Douglas Dynamics also completed the successful restart of operations at all of its 20 facilities in May as planned. In addition, approximately 99% of furloughed employees have now rejoined the company. The company expects that its remaining employees will be able to rejoin the company in the near future.

"We were able to successfully execute our operational restart during May as planned, while maintaining the health and safety of employees and partners as our highest priority," said Bob McCormick, President and CEO. "Thanks to the dedication and ingenuity of our associates and the significant amount of planning and preparation undertaken during the pandemic-related shutdown, we quickly and safely adapted and then reopened our facilities."

### **About Douglas Dynamics**

Home to the most trusted brands in the industry, Douglas Dynamics is North America's premier manufacturer and upfitter of commercial work truck attachments and equipment. For more than 70 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. Through its proprietary Douglas Dynamics Management System (DDMS), the Company is committed to continuous improvement aimed at consistently producing the highest quality products, at industry-leading levels of service and delivery that ultimately drive shareholder value. The Douglas Dynamics portfolio of products and services is separated into two segments: First, the Work Truck Attachments segment, which includes commercial snow and ice control equipment sold under the FISHER®, SNOWEX® and WESTERN® brands. Second, the Work Truck Solutions segment, which includes the upfit of market leading attachments and storage solutions under the HENDERSON® brand, and the DEJANA® brand and its related sub-brands.

### **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, weather conditions, particularly lack of or reduced levels of snowfall and the timing of such snowfall, our ability to manage general economic, business and geopolitical conditions, including the impacts of natural disasters, pandemics and outbreaks of contagious diseases and other adverse public health developments, such as the COVID-19 pandemic, our inability to maintain good relationships with the original equipment manufacturers with whom we currently do significant business, the inability of our suppliers and OEM partners to meet our volume or quality requirements, increases in the price of steel or other materials, including as a result of tariffs, necessary for the production of our products that cannot be passed on to our distributors, increases in the price of fuel or freight, the effects of laws and regulations (including those enacted in response to the COVID-19 crisis) and their interpretations on our business and financial condition, the potential that we may be required to recognize goodwill impairment attributable to our Work Truck Solutions segment, a significant decline in economic conditions, including as a result of global health epidemics such as COVID-19, our inability to maintain good relationships with our distributors, lack of

available or favorable financing options for our end-users, distributors or customers, inaccuracies in our estimates of future demand for our products, our inability to protect or continue to build our intellectual property portfolio, the effects of laws and regulations and their interpretations on our business and financial condition, our inability to develop new products or improve upon existing products in response to end-user needs, losses due to lawsuits arising out of personal injuries associated with our products, factors that could impact the future declaration and payment of dividends, our inability to compete effectively against competition and our inability to achieve the projected financial performance with the business of Henderson Enterprises Group, Inc. ("Henderson") which we acquired in 2014 or the assets of Dejana, which we acquired in 2016, and unexpected costs or liabilities related to such acquisitions, as well as those discussed in the section entitled "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2019 and any subsequently filed Quarterly Reports on Form 10-Q. 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.

For further information contact:

Douglas Dynamics, Inc.

Nathan Elwell

847-530-0249

[investorrelations@douglasdynamics.com](mailto:investorrelations@douglasdynamics.com)



Source: Douglas Dynamics, Inc.