



Douglas Dynamics Finalizes New Term Loan A and Revolving Credit Facilities

June 14, 2021

MILWAUKEE, June 14, 2021 (GLOBE NEWSWIRE) -- Douglas Dynamics, Inc. (NYSE: PLOW), North America's premier manufacturer and upfitter of work truck attachments and equipment, today announced that it has refinanced its existing \$375 million in senior secured credit facilities with a new \$225 million Term Loan A facility and \$100 million senior secured revolving credit facility due June 2026.

"We believe this refinancing transaction provides us with the right capital structure to successfully execute our future growth strategies for the foreseeable future. The new facilities reduce our overall debt profile, reinforce our robust financial position, and ensure we have the flexibility to invest in the business, and still pursue external growth opportunities in the years ahead," explained Sarah Lauber, Chief Financial Officer.

The proceeds from the borrowings under the new Term Loan A facility and senior secured revolving credit facility will be used for general corporate purposes, including repaying the entirety of the borrowings under the company's prior \$275 million Term Loan B facility due 2026 and its prior \$100 million senior secured revolving credit facility.

The new credit agreement provides for a Term Loan A facility in the amount of \$225 million and a senior secured revolving credit facility in the amount of \$100 million. The company may also request increases to the revolving commitments and/or incremental term loans in an aggregate amount not in excess of \$175 million. The Term Loan A facility will bear interest at LIBOR plus a margin ranging from 1.375% to 2.00%, depending on the company's leverage ratio, as defined in the credit agreement.

The new credit agreement includes customary representations, warranties and negative and affirmative covenants, as well as customary events of default and certain cross default provisions that could result in acceleration of the credit agreement that are similar to the related provisions in the company's prior Term Loan B and revolving credit facilities. In addition, the credit agreement requires the company to have a leverage ratio of not more than 3.50 to 1.00 as of the last day of any fiscal quarter commencing with fiscal quarter ending June 30, 2021 and to have a consolidated interest coverage ratio, as defined in the credit agreement, of not less than 3.00 to 1.00 as of the last day of any fiscal quarter commencing with fiscal quarter ending June 30, 2021. The agreement also includes a clause allowing the Company to increase its leverage ratio from 3.50 to 1.00 to 4.00 to 1.00 for four quarters in the event the Company completes an acquisition that is valued at or above \$75 million.

JPMorgan Chase Bank, N.A. acted as administrative agent, J.P. Morgan Chase Bank, N.A. and CIBC Bank USA, acted as joint lead arrangers and joint bookrunners, CIBC Bank USA acted as syndication agent, and Bank of America, N.A. and Citizens Bank, N.A. acted as co-documentation agents. Foley & Lardner LLP served as legal counsel to the company.

About Douglas Dynamics

Home to the most trusted brands in the industry, Douglas Dynamics is North America's premier manufacturer and up-fitter 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 up-fit 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 our distributors, our inability to maintain good relationships with the original equipment manufacturers with whom we currently do significant business, lack of available or favorable financing options for our end-users, distributors or customers, 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, a significant decline in economic conditions, the inability of our suppliers and original equipment manufacturer partners to meet our volume or quality requirements, 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, our inability to achieve the projected financial performance with the assets of Dejana Truck & Utility Equipment Company, Inc., which we acquired in 2016, and unexpected costs or liabilities related to such acquisitions or any future 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, 2020 and any subsequent Form 10-Q filings. 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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