UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **August 5, 2013**

DOUGLAS DYNAMICS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-34728**	**134275891**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

7777 North 73rd Street, Milwaukee, Wisconsin 53223
(Address of principal executive offices, including zip code)

(414) 354-2310
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

On August 5, 2013, Trynex International LLC, formerly known as Acquisition Tango LLC ("New Trynex"), entered into a First Amendment (the "Amendment") to the Asset Purchase Agreement (the "Agreement"), dated May 6, 2013, with Apex International, Inc., formerly known as Trynex, Inc. (the "Seller"), and shareholders of the Seller named in the Agreement (the "Shareholders"). New Trynex, a wholly-owned subsidiary of Douglas Dynamics, Inc. (the "Company"), acquired substantially all of the assets of the Seller pursuant to the Agreement on May 6, 2013. As previously disclosed in the Company's Current Report on Form 8-K filed on May 6, 2013, the Agreement included potential earnout payments of up to $7,000,000 in the aggregate, contingent on the revenue growth and financial performance of the acquired business for fiscal years 2014-2016. The earnout was subject to partial or complete forfeiture if the employment of one or both of the Shareholders ended under specified circumstances. The Amendment limited the circumstances under which a termination of employment would cause forfeiture. The earnout remains contingent on the revenue growth and financial performance of the acquired business for fiscal years 2014-2016.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, which is filed as Exhibit 2.1 to this Current Report on Form 8-K.

Item 2.02. Results of Operations and Financial Condition.

On August 5, 2013, the Company issued a press release announcing its financial results for the quarter ended June 30, 2013. A copy of the press release is attached hereto as Exhibit 99.1. The information in this Item 2.02 and Exhibit 99.1 hereto are furnished to, but not filed with, the Securities and Exchange Commission.

Item 9.01. Financial Statements and Exhibits.

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

(d) Exhibits. The following exhibits are being filed or furnished herewith, as indicated:

(2.1) First Amendment, dated August 5, 2013, to the Asset Purchase Agreement, dated May 6, 2013, by and between Trynex International LLC, Apex International, Inc. and shareholders of Apex International, Inc. named therein (filed).

(99.1) Press release dated August 5, 2013 (furnished).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DOUGLAS DYNAMICS, INC.

Date: August 5, 2013

By: /s/ Robert McCormick
Robert McCormick
Executive Vice President, Chief Financial Officer
and Secretary

DOUGLAS DYNAMICS, INC.

Exhibit Index to Current Report on Form 8-K

Exhibit Number	
(2.1)	First Amendment, dated August 5, 2013, to the Asset Purchase Agreement, dated May 6, 2013, by and between Trynex International LLC, Apex International, Inc. and shareholders of Apex International, Inc. named therein.
(99.1)	Press release dated August 5, 2013.

Exhibit 2.1

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT (this "First Amendment") is effective as of August 5, 2013 among Trynex International LLC, a Delaware limited liability company formerly known as Acquisition Tango LLC ("Buyer"), Apex International, Inc., a Michigan corporation formerly known as Trynex, Inc. ("Seller"), and the undersigned shareholders of Seller (collectively, the "Shareholders").

WHEREAS, Buyer, Seller and Shareholders have entered into an Asset Purchase Agreement effective as of May 6, 2013 (the "Purchase Agreement"), pursuant to which Buyer acquired substantially all of the assets of Seller;

WHEREAS, Buyer, Seller and Shareholder wish to enter into this First Amendment to more effectively reflect the intent and purpose of the parties under the Purchase Agreement as such intent and purpose existed on May 6, 2013.

NOW, THEREFORE, in consideration of the foregoing and the representations, warranties and covenants set forth in this First Agreement, the parties agree as follows:

1. Amendment. Article 2 of the Purchase Agreement is hereby amended and restated in its entirety as set forth in the attached Exhibit A. In addition, the definition of "Potential Annual Earnout Payment" set forth in Section 8.16 of the Purchase Agreement is hereby amended and restated in its entirety as set forth in the attached Exhibit B.

2. Conflicting Provisions. Notwithstanding anything to the contrary in this First Amendment or the Purchase Agreement, if any provision of this First Amendment contradicts or otherwise conflicts with any provision of the Purchase Agreement, then the provisions of this First Amendment shall control.

3. Entire Agreement. This First Amendment supersedes all prior agreements, and constitutes a complete and exclusive statement of the terms of the agreement, among the parties with respect to its subject matter. There are no agreements, representations or warranties among the parties relating to the subject matter of this First Amendment other than those set forth or provided for in this First Amendment. Except as otherwise contemplated by this First Amendment, the Purchase Agreement shall remain in full force and effect in accordance with its terms.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have executed and delivered this First Amendment to Asset Purchase Agreement effective as of the day and year first written above.

BUYER:

TRYNEX INTERNATIONAL LLC (formerly known as Acquisition Tango LLC)

By: /s/ James L. Janik
Name: James L. Janik
Title: Chief Executive Officer

SELLER:

APEX INTERNATIONAL, INC. (formerly known as Trynex, Inc.)

By: /s/ Chuck Truan
Name: Chuck Truan
Title: President

SHAREHOLDERS:

/s/ Chuck Truan
Chuck Truan

/s/ James Truan
James Truan

ACKNOWLEDGED AND AGREED:

RENTON HOLDINGS LLC

By: /s/ Chuck Truan
Chuck Truan, President

TRUSOURCE HOLDINGS LLC

By: /s/ James Truan
James Truan, Member

EXHIBIT A

ARTICLE 2
PURCHASE PRICE; PAYMENT

Section 2.1. Purchase Price. The aggregate purchase price (the "Purchase Price") for the Purchased Assets shall be (a) the assumption of the Assumed Liabilities, (b) an amount equal to $26,000,000 (i) plus the amount, if any, by which the Net Working Capital as reflected on the Final Closing Balance Sheet is greater than $5,165,000 or (ii) minus the amount, if any, by which the Net Working Capital as reflected on the Final Closing Balance Sheet is less than $5,165,000 and (c) the amounts, if any, that become payable in accordance with Section 2.4.

Section 2.2. Payment. The Purchase Price shall be paid as follows:

(a) Assumption of Assumed Liabilities. At the Closing, Buyer shall execute and deliver to Appointed Agent such undertakings and instruments of assumption as are necessary to evidence Buyer's assumption of the Assumed Liabilities in accordance with this Agreement, in form and substance reasonably satisfactory to Buyer and Appointed Agent.

(b) Cash to Escrow Agent. At the Closing, Buyer shall deliver to Escrow Agent, under the Escrow Agreement, an amount equal to $2,600,000 to be held for a period of 18 months and used to secure the indemnification obligations of Shareholders and Seller arising under Article 6.

(c) Cash to Seller. At the Closing, Buyer shall deliver to Seller an amount equal to $23,400,000plus the amount, if any, by which the Net Working Capital as reflected on the Estimated Closing Balance Sheet is greater than $5,165,000 or minus the amount, if any, by which the Net Working Capital as reflected on the Estimated Closing Balance Sheet is less than $5,165,000.

(d) Payment of Adjustment Amount. On or before the fifth Business Day following the final determination of the Final Closing Balance Sheet (the "Settlement Date"), either (i) Buyer shall pay to Seller the amount, if any, by which the Net Working Capital as reflected on the Final Closing Balance Sheet is greater than the Net Working Capital as reflected on the Estimated Closing Balance Sheet or (ii) Seller shall pay to Buyer the amount, if any, by which the Net Working Capital as reflected on the Final Closing Balance Sheet is less than the Net Working Capital as reflected on the Estimated Closing Balance Sheet.

(e) Payment of Earnout Amount. Buyer shall deliver to Seller the amounts, if any, that become payable underSection 2.4 at the time or times specified in Section 2.4.

All cash payments under this Section 2.2 shall be made by wire transfer of immediately available funds to an account that the recipient, at least 48 hours prior to the time for payment specified under this Agreement, has designated.

Section 2.3. Determination of Net Working Capital.

(a) Balance Sheet. As used in this Agreement, "Balance Sheet" shall mean a schedule in the form of a balance sheet of Seller showing the net book values, as of a specified time, of the respective categories of assets and liabilities set forth in the Recent Balance Sheet, but reflecting only the Purchased Assets and Assumed Liabilities. The Parties agree that each Balance Sheet shall be prepared in accordance with generally accepted accounting principles in the United States ("GAAP") applied on a basis consistent with that used in the preparation of the Recent Balance Sheet. Notwithstanding the foregoing, the Estimated Closing Balance Sheet, the Preliminary Closing Balance Sheet and the Final Closing Balance Sheet shall be prepared in accordance with the following: (i) in valuing Inventory, there shall be such downward adjustments as are required to reflect the results of any physical inventory or cycle counts of the Inventory that have been taken by Seller or Buyer, and the reserve for excess and obsolete inventory shall not be less than $295,000; (ii) there shall be established a reasonable and sufficient reserve for all anticipated costs and expenses in connection with product and service warranties, which in no event shall be less than $600,000; (iii) accounts receivable shall be stated net of an appropriate reserve for doubtful accounts and anticipated collection expenses, and all accounts receivable that are more than 180 days past due shall be valued as zero; and (iv) accounts receivable shall not include amounts historically recorded through a "TrynEx International" holding account. Without limitation, for purposes of preparing the Preliminary Closing Balance Sheet, Buyer shall complete a physical inventory within 30 days of the Closing (with appropriate rollback adjustments), and Appointed Agent shall have the right to monitor and/or participate in such physical inventory.

(b) Estimated Closing Balance Sheet. At least three Business Days prior to the Closing Date, Seller shall prepare and deliver to Buyer a Balance Sheet that sets forth Seller's reasonable, good faith estimate of the amount of the Net Working Capital as of the Effective Time (the "Estimated Closing Balance Sheet").

(c) Preliminary Closing Balance Sheet. Within 90 days after the Closing Date, Buyer shall prepare and deliver to Appointed Agent a Balance Sheet as of the Effective Time, together with a calculation of the Net Working Capital as of the Effective Time (the "Preliminary Closing Balance Sheet"). The Parties shall comply with the procedures set forth in Section 2.5 with respect to the review and potential adjustment of the Preliminary Closing Balance Sheet.

Section 2.4. Earnout Consideration.

(a) Preliminary Earnout Statement. On or before April 15th of the calendar year following the applicable Earnout Year, Buyer shall provide Appointed Agent with an unaudited income statement of Buyer with respect to such applicable Earnout Year, together with a calculation of the Earnout Actual Net Sales, Earnout Actual Gross Profit, Earnout Actual Factor, Earnout Annual Ratio for such applicable Earnout Year and, in the case of the third Earnout Year, the Earnout Aggregate Ratio (the "Preliminary Earnout Statement"). The Parties agree that such income statement shall be prepared in accordance with GAAP as applied by Buyer on a consistent basis (except for the absence of footnote disclosure). The Parties shall comply with the procedures set forth in Section 2.5 with respect to the review and potential adjustment of each Preliminary Earnout Statement.

(b) Annual Earnout Payments. On or before the fifth Business Day following the determination of each Final Earnout Statement, Buyer shall pay to Seller an amount (the "Annual Earnout Payment") equal to the Earnout Annual Ratio reflected on such Final Earnout Statementmultiplied by the Potential Annual Earnout Payment. Notwithstanding the foregoing, Buyer shall have no obligation to pay any Annual Earnout Payment if the Earnout Annual Ratio reflected on the applicable Final Earnout Statement is less than 0.65.

(c) Aggregate Earnout Payment. On or before the fifth Business Day following the determination of the Final Earnout Statement with respect to the third Earnout Year, Buyer shall pay to Seller an amount equal to $1,000,000 if the Earnout Aggregate Ratio reflected on such Final Earnout Statement is not less than 1.25.

(d) Other. Notwithstanding anything to the contrary:

(i) If the employment of both Chuck Truan and James Truan is terminated pursuant to Section 4(c) of their respective Employment Agreements with Buyer, then Buyer shall cease to have any obligations under this Section 2.4 (and Section 2.2(e)).

(ii) If (A) the employment of both Chuck Truan and James Truan is terminated pursuant to Section 4(f) of their respective Employment Agreements with Buyer or (B) the employment of one of them is terminated pursuant to Section 4(c) of his Employment Agreement with Buyer and the employment of the other one of them is terminated pursuant to Section 4(f) of his Employment Agreement with Buyer, then Buyer shall cease to have any obligations under this Section 2.4 with respect to the third Earnout Year and under Section 2.4(c) (and, as applicable, Section 2.2(e)). For the avoidance of doubt, this subclause (ii) (x) shall apply with respect to all obligations under Section 2.4(b) with respect to the Earnout Year ended December 31, 2016 and all obligations under Section 2.4(c) and (y) shall not affect any obligations under Section 2.4(b) with respect to the Earnout Year ended December 31, 2014 or the Earnout Year ended December 31, 2015.

(iii) Subject to subclause (vii) below, if Buyer terminates the employment of both Chuck Truan and James Truan pursuant to Section 4(d) of their respective Employment Agreements with Buyer, then Buyer shall pay the Annual Earnout Payment pursuant to Section 2.4(b); provided, however, that in no event shall any Annual Earnout Payment calculated subsequent to such employment termination be less than $1,300,000 per period and prorated for partial years.

(iv) Subject to subclause (vii) below, if Buyer terminates the employment of Chuck Truan (but not James Truan) pursuant to Section 4(d) of his Employment Agreement with Buyer, then in no event shall any Annual Earnout Payment calculated subsequent to such employment termination be less than an amount equal to (A) the product of 0.65 multiplied by the Potential Annual Earnout Payment (B) multiplied by 0.55, per period and prorated for partial years.

(v) Subject to subclause (vii) below, if Buyer terminates the employment of James Truan (but not Chuck Truan) pursuant to Section 4(d) of his Employment Agreement with Buyer, then in no event shall any Annual Earnout Payment calculated subsequent to such employment termination be less than an amount equal to (A) the product of 0.65 multiplied by the Potential Annual Earnout Payment (B) multiplied by 0.45, per period and prorated for partial years.

(vi) For the avoidance of doubt, the death or disability of Chuck Truan or James Truan pursuant to Section 4(a) or Section 4(b) of their respective Employment Agreements with Buyer will not affect their rights to the payments under this Section 2.4.

(vii) Notwithstanding the foregoing, (A) in no event shall the sum of all Annual Earnout Payments paid by Buyer under this Section 2.4 exceed $6,000,000 and (B) in no event shall the aggregate amount of all amounts paid by Buyer under this Section 2.4 exceed $7,000,000.

(e) Illustration. For illustrative purposes only, the attached Exhibit F sets forth sample calculations for the Earnout Annual Payment based on certain assumed facts.

Section 2.5. Final Determination Process.

(a) Statement Objection. Within 30 days after Buyer delivers the Preliminary Closing Balance Sheet or the Preliminary Earnout Statement (as the case may be, the "Subject Statement") to Appointed Agent, Appointed Agent shall complete its review of the Subject Statement. Appointed Agent may object to the content of the Subject Statement, but only on the basis that the amounts reflected in the Subject Statement were not determined in accordance with Section 2.3(a) and Section 2.3(c) in the case of the Preliminary Closing Balance Sheet or Section 2.4(a) in the case of the Preliminary Earnout Statement or were determined based on mathematical, clerical or similar error. Appointed Agent shall make any such objection on or prior to the last day of such 30-day period by delivering a written notice to Buyer (a "Statement Objection") setting forth in reasonable detail a description of the basis of the Statement Objection and the adjustments to the Subject Statement that Appointed Agent believes should be made.

(b) Response to Statement Objection. If Appointed Agent delivers a Statement Objection in accordance with Section 2.5(a), then Buyer shall have 30 days to review and respond to the Statement Objection by delivering written notice to Appointed Agent specifying in reasonable detail the scope of its disagreement with the information set forth in it (the "Response Statement").

(c) Dispute Resolution. If Buyer delivers a Response Statement in accordance with Section 2.5(b), then Buyer and Appointed Agent shall promptly attempt in good faith to resolve the disagreement reflected in the Response Statement (the "Statement Dispute"). If Buyer and Appointed Agent are unable to resolve the Statement Dispute within 30 days after Buyer delivers a Response Statement, then, at any time thereafter, either Buyer or Appointed Agent may elect to have the Statement Dispute resolved by Grant Thornton LLP or another nationally recognized firm of independent public accountants as to which Buyer and Appointed Agent mutually agree (the "CPA Firm"). The CPA Firm shall, acting as an expert and not as an arbitrator, determine on the basis of the standards set forth in Section 2.3(a) and Section 2.3(c) in the case of the Preliminary Closing Balance Sheet and

Section 2.4(a) in the case of the Preliminary Earnout Statement, and only with respect to the remaining accounting-related differences so submitted to the CPA Firm (and not by independent review), whether and to what extent, if any, the Net Working Capital as derived from the Preliminary Closing Balance Sheet or the Earnout Annual Ratio and/or Earnout Aggregate Ratio as derived from the Preliminary Earnout Statement (as the case may be) requires adjustment. In connection with the engagement of the CPA Firm, Buyer and Appointed Agent (on behalf of Shareholders and Seller) shall execute reasonable engagement letters and supply such other documents and information as the CPA Firm reasonably requires or as such Party deems appropriate. The CPA Firm shall be instructed to use every reasonable effort to perform its services within 30 days after submission of the Statement Dispute to it and, in any case, as soon as practicable after such submission. In resolving the Statement Dispute, the CPA Firm (A) shall utilize the criteria set forth in Section 2.3(a) and Section 2.3(c) or Section 2.4(a) (as the case may be) and (B) shall not assign a value to any item greater than the greatest value for such item claimed by Buyer or Appointed Agent, or less than the smallest value for such item claimed by Buyer or Appointed Agent, as set forth in the Subject Statement or the Statement Objection. The CPA Firm's determination of the Statement Dispute shall be conclusive and binding upon all Parties.

(d) CPA Firm Expense Allocation. If the Subject Adjustment Amount as derived from the Final Closing Balance Sheet or Final Earnout Statement (as the case may be) is closer in amount to the Subject Adjustment Amount as reflected on the Statement Objection than to the Subject Adjustment Amount as reflected on the Subject Statement, then Buyer shall pay all fees and expenses of the CPA Firm in connection with the services provided pursuant to Section 2.5(c).

If the Subject Adjustment Amount as derived from the Final Closing Balance Sheet or Final Earnout Statement (as the case may be) is closer in amount to the Subject Adjustment Amount as reflected on the Subject Statement than to the Subject Adjustment Amount as reflected on the Statement Objection, then Seller and Shareholders (jointly and severally) shall pay all fees and expenses of the CPA Firm in connection with the services provided pursuant to Section 2.5(c). If the difference between the Subject Adjustment Amount as derived from the Final Closing Balance Sheet or Final Earnout Statement (as the case may be) and the Subject Adjustment Amount as reflected on the Statement Objection is equal to the difference between the Subject Adjustment Amount as derived from the Final Closing Balance Sheet or Final Earnout Statement (as the case may be) and the Subject Adjustment Amount as reflected on the Subject Statement, then all fees and expenses of the CPA Firm in connection with the services provided pursuant to Section 2.5(c) shall be paid one-half by Buyer and one-half (jointly and severally) by Seller and Shareholders.

(e) Confidentiality. Appointed Agent shall not disclose to any Person other than its legal counsel and other advisors, or use for any purpose other than the above-described resolution procedures, the information reflected in the Subject Statement, the Response Statement or any other materials described in this Section 2.5.

Section 2.6. Other Payments and Adjustments.

(a) Employee Compensation. Seller shall pay directly to its employees the amount of wages and other compensation (including bonuses) due for all periods prior to the Effective Time. Except to the extent of any reserve therefor reflected on the face of the Final Closing Balance Sheet, Buyer shall receive a credit on the Settlement Date in an

amount equal to all vacation, holiday and sick pay unpaid by Seller as of the Effective Time attributable to any period or partial period of employment by Seller prior to the Effective Time, plus employee payroll Taxes applicable thereto due or to become due, for the Active Transferred Employees and (i) who as of the Effective Time have not taken all of their vacation, holiday or sick time earned prior to Closing or (ii) who have not earned vacation, holiday or sick time as of the Effective Time but who would have earned vacation, holiday or sick time for any such period or partial period of employment prior to the Closing (on a pro rata basis) had they continued as employees of Seller to the date when such vacation, holiday or sick pay would have accrued to them.

(b) Funded Indebtedness. Prior to the Closing, Seller shall repay and discharge all of its obligations under Funded Indebtedness; provided, however, that Appointed Agent shall have the option to cause the repayment of such obligations by instructing Buyer to deduct from the amount of the Purchase Price to be paid to Seller at the Closing the amount of such obligations and pay such amount directly to the obligees in satisfaction of such obligations.

Section 2.7. Purchase Price Allocation. The amount of the aggregate Purchase Price allocated to the Noncompetition Agreements shall be $200,000, and the remainder of the aggregate Purchase Price and other items shall be allocated among the Purchased Assets (or groups of such assets) for all purposes (including all Tax purposes) in accordance with the applicable provisions of Section 1060 of the Code. For this purpose, the Parties agree that the methodology for determining the fair market value of the Purchased Assets (or groups of such assets) is set forth in the attached Exhibit A (the "Purchase Price Allocation"). Each Party shall file all Tax Returns (including amended returns and claims for refund) in a manner reflecting the Purchase Price Allocation. Buyer and Seller shall execute and timely file a Form 8594 consistent with the Purchase Price Allocation, after exchanging mutually acceptable drafts of such form (and any equivalent state, municipal, county, local or other Tax forms).

Section 2.8. Withholding. The Parties agree that each applicable withholding agent shall be entitled to deduct and withhold from any amount payable under this Agreement any withholding Taxes or other amounts required by applicable Law to be deducted and withheld. To the extent any such amounts are so deducted or withheld, such amounts shall be treated for all purposes of this Agreement as having been paid to the Party in respect of which such deduction and withholding was made.

* * * * *

EXHIBIT B

"Potential Annual Earnout Payment" means:

(a) with respect to the first and second Earnout Years, (i) $2,000,000 if, prior to the last day of the applicable Earnout Year, the employment of neither Chuck Truan nor James Truan is terminated pursuant to Section 4(c) of their respective Employment Agreements with Buyer; (b) $1,100,000 if, prior to the last day of the applicable Earnout Year, the employment of James Truan is terminated pursuant to Section 4(c) of his Employment Agreement with Buyer; or (c) $900,000 if, prior to the last day of the applicable Earnout Year, the employment of Chuck Truan is terminated pursuant to Section 4(c) of his Employment Agreement with Buyer; and

(b) with respect to the third and final Earnout Year, (i) $2,000,000 if, prior to the last day of such Earnout Year, the employment of neither Chuck Truan nor James Truan is terminated pursuant to Section 4(c) or Section 4(f) of their respective Employment Agreements with Buyer; (b) $1,100,000 if, prior to the last day of such Earnout Year, the employment of James Truan is terminated pursuant to Section 4(c) or Section 4(f) of his Employment Agreement with Buyer; or (c) $900,000 if, prior to the last day of such Earnout Year, the employment of Chuck Truan is terminated pursuant to Section 4(c) or Section 4(f) of his Employment Agreement with Buyer.

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For further information contact:
Douglas Dynamics, Inc.
Bob McCormick
414-362-3868
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DOUGLAS DYNAMICS ANNOUNCES SECOND QUARTER 2013 RESULTS

Highlights:

- **Company reported second quarter net sales of $55.2 million**
- **Produced earnings per diluted share of $0.26 in second quarter**
- **Declared $0.2075 per share cash dividend paid on June 28, 2013**
- **Successfully completed acquisition of TrynEx assets**
- **Company narrows 2013 guidance**

August 5, 2013 — Milwaukee, Wisconsin — Douglas Dynamics, Inc. (NYSE: PLOW), the North American leader in the design, manufacture and sale of snow and ice control equipment for light trucks, today announced financial results for the second quarter ended June 30, 2013.

Second Quarter Results

Douglas Dynamics' pre-season sales incentive period is comprised of the second and third quarters combined. In 2012, pre-season sales were weighted more heavily than usual toward the second quarter, producing a pre-season order shipment split of 65/35 for the second and third quarters, compared to an average split of 60/40 in recent years. For 2013, the Company anticipates that shipments for the pre-season order period will be closer to an even split between second and third quarters. This shift is primarily related to the timing of a record number of new product launches.

James L. Janik, President and Chief Executive Officer of the Company, commented, "Our results for the second quarter were in line with our expectations given the timing of new product launches and our expectations regarding the related shipment mix trends for the 2013 pre-season order period. Longer-term, we are excited about this new product line-up and our belief that it will enhance our market leading position and further cement our reputation of constantly delivering best-in-class products and services to our customers. Our results also reflect an increase in parts and accessories sales of approximately 17% in the second quarter of 2013 as compared to the second quarter of 2012 as stronger and sustained late season snowfall levels across core markets reduced dealer inventory levels. We expect to continue to generate significant cash flows and look for ways to optimize shareholder value, which includes our robust dividend."

Net sales were $55.2 million in the second quarter of 2013, compared to second quarter 2012 net sales of $65.5 million, a decrease of 15.8%. The Company attributes the decrease in sales to the expected shift in timing of pre-season order shipments toward the third quarter compared to the prior year 65/35 split between the second and third quarters.

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Net income was $5.9 million, or $0.26 per diluted share based on weighted average shares of 22.1 million shares, in the second quarter of 2013 compared to net income of $9.0 million, or $0.40 per diluted share based on weighted average shares of 22.0 million shares, in the second quarter of 2012. The effective tax rate for the second quarter of 2013 was 36.2%. The estimated effective tax rate for full year 2013 is expected to be 38.0%.

The Company reported Adjusted EBITDA of $14.4 million in the second quarter of 2013 compared to Adjusted EBITDA of $19.6 million in the second quarter of 2012.

Acquisition of TrynEx Assets

As previously reported, Douglas Dynamics completed the acquisition of substantially all of the assets of TrynEx, Inc. on May 6, 2013. TrynEx has historically generated approximately $20 million in revenues and $3.0 to $4.0 million in EBITDA annually. Based on historical trends, shipments during the first half of the year are typically lower than during the second half of the year. As previously stated, the acquisition is expected to be accretive to earnings per share on a full-year basis in 2014 and free cash flow positive on a stand-alone basis in 2014.

Mr. Janik noted, "With the completion of the TrynEx deal in early May, we have added a great set of new products to our portfolio and a great team of people. In the past few months, we have made excellent progress integrating our back office operations with the TrynEx assets and are leveraging shared expertise across the business. We look forward to continuing to explore and expand these new growth channels across market adjacencies and expanding our reach to new geographies via the acquisition."

Balance Sheet and Liquidity

During the first six months of 2013, the Company recorded net cash used in operating activities of $11.9 million compared to net cash used in operating activities of $17.0 million in the same period last year. This decrease was driven primarily by working capital changes, namely a $4.3 million decrease in cash used by accounts receivable and a $4.0 million decrease in cash used by accrued expenses and other current liabilities.

Inventory was $42.4 million at the end of the second quarter of 2013, an increase of $9.6 million compared to the second quarter of 2012. The increase was primarily driven by the acquisition of the TrynEx assets, which added approximately $4.6 million of inventory, and by lower sales volume.

Accounts receivable at the end of the second quarter of 2013 were $38.5 million, a decrease of $12.1 million compared to second quarter 2012.

Short-term borrowings at June 30, 2013 were $28.0 million which reflects the revolver borrowings to finance the acquisition of Trynex's assets.

Dividend

As previously reported on June 7, 2013, Douglas Dynamics declared a quarterly cash dividend of $0.2075 per share on the Company's common stock. The declared $0.2075 per share cash dividend was paid on June 28, 2013 to stockholders of record as of the close of business on June 18, 2013.

Outlook

Based on second quarter results and visibility into current business trends, the Company expects Adjusted EBITDA for fiscal 2013 to be in the range of $36 million to $46 million and net sales to range from $175 million to $200 million. Earnings per share are expected to range from $0.30 per share to $0.60 per share. It is important to note that the Company's outlook assumes that the economy will remain stable and that the Company's core markets will experience average snowfall levels.

From the date of acquisition on May 6, 2013 through year end, the Company expects net sales attributable to the TrynEx business to be in the range of $12 million to $14 million. Projected Adjusted EBITDA for this period attributable to the Trynex business is expected to be in the range of $1.0 million to $1.75 million, with earnings per share in the range of ($0.08) to ($0.12). These projected results include certain non-cash purchase accounting adjustments of $4.5 million, which are expected to impact earnings per share negatively by ($0.12). The projected results for the TrynEx business from May 6, 2013 through year end are included within the fiscal 2013 guidance for the Company as a whole.

Mr. Janik noted, "We're encouraged with positive market indicators such as the ongoing improvement in truck sales and other non-snowfall indicators that drive our business. While it won't be an immediate return to normal after a very challenging 2012, we are seeing stable market conditions that are showing signs of improvement. We expect the 2013 pre-season period to be slightly lighter when compared to last year, but with normal snowfall, we expect the fourth quarter of 2013 to show significant improvement over last year's results. Looking ahead, we have a market leading position, a new line-up of products and a strong financial position, which we believe combine to position us well for the future."

Webcast Information

The Company will host an investor conference call on Tuesday, August 6, 2013 at 10:00 a.m. Central Time. The conference call will be available on the Internet through 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. For those who cannot listen to the live broadcast, an Internet replay will be available shortly after the call.

About Douglas Dynamics

Douglas Dynamics is the North American leader in the design, manufacture and sale of snow and ice control equipment for light trucks, which consists of snowplows and sand and salt spreaders, and related parts and accessories. The Company is also a leading manufacturer of turf and other commercial/industrial grounds control products. The Company sells its products under the WESTERN®, FISHER®, BLIZZARD®, SNOWEX®, TURFEX® and SWEEPEX® brands which are among the most established and recognized in the industry. Additional information is available at www.douglasdynamics.com.

Use of Non-GAAP Financial Measures

This press release contains financial information calculated other than in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). These non-GAAP measures include:

- Adjusted net income;
- Adjusted earnings per diluted share; and
- Adjusted EBITDA.

These non-GAAP disclosures should not be construed as an alternative to the reported results determined in accordance with GAAP.

Adjusted net income and adjusted earnings per diluted share represent net income and earnings per diluted share, respectively, as determined under GAAP, excluding a loss recognized on impairment of assets held for sale. The Company believes that the presentation of adjusted net income and adjusted earnings per diluted share for the three and six months ended June 30, 2013 and June 30, 2012 allows investors to make meaningful comparisons of the Company's operating performance between periods and to view its business from the same perspective as its management. Because the excluded item is not predictable or consistent, management does not consider it when evaluating the Company's performance or when making decisions regarding allocation of resources.

Adjusted EBITDA represents net income before interest, taxes, depreciation and amortization, as further adjusted for certain charges related to certain unrelated legal fees and consulting fees, impairment on assets held for sale and stock based compensation. The Company uses, and believes its investors benefit from the presentation of, Adjusted EBITDA in evaluating the Company's operating performance because adjusted EBITDA provides the Company and its investors with additional tools to compare its operating performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect the Company's core operations. In addition, the Company believes that Adjusted EBITDA is useful to investors and other external users of its consolidated financial statements in evaluating the Company's operating performance as compared to that of other companies, because it allows them to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, which can vary substantially from company to company depending upon accounting methods and book value of assets and liabilities, capital structure and the method by which assets were acquired. The Company's management also uses adjusted EBITDA for planning purposes, including the preparation of its annual operating budget and financial projections, and to evaluate the Company's ability to make certain payments, including dividends, in compliance with its senior credit facilities, which is determined based on a calculation of "Consolidated Adjusted EBITDA" that is substantially similar to adjusted EBITDA.

Consistent with Regulation G under the U.S. federal securities laws, the non-GAAP measures in this press release have been reconciled to the nearest GAAP measure, and this reconciliation is located under the headings "Reconciliation of Net Income to Adjusted Net Income" and "Net Income to Adjusted EBITDA Reconciliation" following the Consolidated Statements of Cash Flows included in this press release.

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, a significant decline in economic conditions, our inability to maintain good relationships with our distributors, lack of available or favorable financing options for our end-users or distributors, increases in the price of steel or other materials necessary for the production of our products that cannot be passed on to our distributors, increases in the price of fuel, the inability of our suppliers 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 Trynex assets and unexpected costs or liabilities related to the acquisition of the Trynex assets, 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, 2012. 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.

Financial Statements

Douglas Dynamics, Inc.
Consolidated Balance Sheets
(*In thousands*)

	June 30, 2013 (unaudited)	December 31, 2012 (audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 2,084	$ 24,136
Accounts receivable, net	38,497	25,425
Inventories	42,407	30,292
Refundable income taxes paid	5,492	4,870
Deferred income taxes	3,659	3,710
Prepaid and other current assets	1,110	1,149
Total current assets	93,249	89,582
Property, plant, and equipment, net	25,168	19,887
Assets held for sale	1,085	1,732
Goodwill	114,044	107,222
Other intangible assets, net	125,712	116,548
Deferred financing costs, net	2,505	2,794
Other long-term assets	1,145	606
Total assets	$ 362,908	$ 338,371
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 3,701	$ 5,370
Accrued expenses and other current liabilities	12,058	10,329
Short term borrowings	28,000	—
Current portion of long-term debt	971	971
Total current liabilities	44,730	16,670
Retiree health benefit obligation	6,496	6,541
Pension obligation	14,428	14,401
Deferred income taxes	35,603	33,805
Deferred compensation	658	756
Long-term debt, less current portion	110,509	110,995
Other long-term liabilities	1,829	1,471
Total stockholders' equity	148,655	153,732
Total liabilities and stockholders' equity	$ 362,908	$ 338,371

Douglas Dynamics, Inc.
Consolidated Statements of Operations and Comprehensive Income
(In thousands, except per share data)

	Three Month Period Ended June 30, 2013 (unaudited)	Three Month Period Ended June 30, 2012 (unaudited)	Six Month Period Ended June 30, 2013	Six Month Period Ended June 30, 2012
Net sales	$ 55,156	$ 65,499	$ 69,297	$ 74,059
Cost of sales	36,278	42,439	46,093	49,180
Gross profit	18,878	23,060	23,204	24,879
Selling, general, and administrative expense	6,097	5,707	12,007	10,337
Intangibles amortization	1,397	1,301	2,695	2,601
Impairment of assets held for sale	—	—	647	—
Income from operations	11,384	16,052	7,855	11,941
Interest expense, net	(2,077)	(2,178)	(4,060)	(4,223)
Other expense, net	(46)	(155)	(77)	(233)
Income before taxes	9,261	13,719	3,718	7,485

Income tax expense	3,352	4,747	1,213	2,780
Net income	$ 5,909	$ 8,972	$ 2,505	$ 4,705
Less: Net income attributable to participating securities	88	94	34	32
Net income attributable to common shareholders	$ 5,821	$ 8,878	$ 2,471	$ 4,673
Weighted average number of common shares outstanding:				
Basic	22,038,161	21,906,622	22,004,793	21,866,662
Diluted	22,064,053	21,962,098	22,049,996	21,985,974
Earnings per common share:				
Basic	$ 0.26	$ 0.41	$ 0.11	$ 0.21
Diluted	$ 0.26	$ 0.40	$ 0.11	$ 0.21
Cash dividends declared and paid per share	$ 0.21	$ 0.21	$ 0.42	$ 0.41
Comprehensive income	$ 6,279	$ 8,971	$ 2,914	$ 4,693

Douglas Dynamics, Inc.
Consolidated Statements of Cash Flows
(In thousands)

	Six Month Period Ended	
	June 30, 2013	June 30, 2012
	(unaudited)	
Operating activities		
Net income	$ 2,505	$ 4,705
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	4,149	4,003
Amortization of deferred financing costs and debt discount	378	565
Loss recognized on impairment of assets held for sale	647	—
Stock-based compensation	1,459	906
Provision for losses on accounts receivable	98	227
Deferred income taxes	1,849	2,539
Changes in operating assets and liabilities:		
Accounts receivable	(12,566)	(16,821)
Inventories	(7,985)	(8,820)
Prepaid and other assets and prepaid income taxes	(1,091)	(610)
Accounts payable	(2,449)	(527)
Accrued expenses and other current liabilities	583	(3,430)
Deferred compensation	(156)	(156)
Benefit obligations and other long-term liabilities	749	375
Net cash used in operating activities	(11,830)	(17,044)
Investing activities		
Capital expenditures	(1,463)	(1,016)
Proceeds from sale of equipment	—	80
Acquisition of Trynex	(26,734)	—
Net cash used in investing activities	(28,197)	(936)
Financing activities		
Shares withheld on restricted stock vesting paid for employees' taxes	(160)	—
Dividends paid	(9,290)	(9,087)
Revolver borrowings	28,000	2,000
Repayment of long-term debt	(575)	(10,575)
Net cash provided by (used in) financing activities	17,975	(17,662)
Change in cash and cash equivalents	(22,052)	(35,642)
Cash and cash equivalents at beginning of year	24,136	39,432
Cash and cash equivalents at end of quarter	$ 2,084	$ 3,790

Douglas Dynamics, Inc.
Net Income to Adjusted EBITDA reconciliation (unaudited)
(in thousands)

	Three month period ended June 30,		Six month period ended June 30,	
	2013	2012	2013	2012
Net income	$ 5,909	$ 8,972	$ 2,505	$ 4,705
Interest expense - net	2,077	2,178	4,060	4,223
Income tax expense	3,352	4,747	1,213	2,780
Depreciation expense	737	701	1,454	1,402
Amortization	1,397	1,301	2,695	2,601
EBITDA	13,472	17,899	11,927	15,711
Stock based compensation	524	541	1,459	906

Other charges (1)	374	1,110	1,220	1,122
Adjusted EBITDA	$ 14,370	$ 19,550	$ 14,606	$ 17,739

(1) Reflects expenses of $374 and $1,110 for one time, unrelated legal and consulting fees for the three months ended June 30, 2013 and June 30, 2012, respectively; expenses of $573 and $1,122 for one time, unrelated legal and consulting fees for the six months ended June 30, 2013 and June 30, 2012, respectively; and a write down of asset held for sale of $647 for the six months ended June 30, 2013.

Douglas Dynamics, Inc.
Reconciliation of Net Income to Adjusted Net Income
$ Millions, except share data

	Three month period ended June 30,		Six month period ended June 30,	
	2013	**2012**	**2013**	**2012**
Net Income (GAAP)	$ 5.9	$ 9.0	$ 2.5	$ 4.7
Addback expenses, net of tax at 38.0% for 2013:				
-Loss recognized on impairment of assets held for sale:	—	—	0.4	—
Adjusted Net Income (non-GAAP)	$ 5.9	$ 9.0	$ 2.9	$ 4.7
Weighted average basic common shares outstanding	22,038,161	21,906,622	22,004,793	21,866,662
Weighted average common shares outstanding assuming dilution	22,064,053	21,962,098	22,049,996	21,985,974
Adjusted earnings per common share - basic	$ 0.26	$ 0.41	$ 0.13	$ 0.21
Adjusted earnings per common share - dilutive	$ 0.26	$ 0.40	$ 0.13	$ 0.21