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

Form 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to .

Commission file number: 001-34728

DOUGLAS DYNAMICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**13-4275891**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

11270 W Park Place Ste 300
Milwaukee, Wisconsin 53224
(Address of principal executive offices) (Zip code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.01 per share	PLOW	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of registrant's common shares outstanding as of May 6, 2025 was 23,209,426.

DOUGLAS DYNAMICS, INC.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

Douglas Dynamics, Inc.
Condensed Consolidated Balance Sheets
(In thousands except share data)

	March 31, 2025 (unaudited)	December 31, 2024 (unaudited)
Assets		
Current assets:		
Cash and cash equivalents	$ 7,207	$ 5,119
Accounts receivable, net	69,219	87,407
Inventories	171,472	137,034
Inventories - truck chassis floor plan	21,174	2,612
Prepaid and other current assets	5,181	6,053
Total current assets	274,253	238,225
Property, plant, and equipment, net	40,791	41,311
Goodwill	113,134	113,134
Other intangible assets, net	112,000	113,550
Operating lease - right of use asset	68,271	70,801
Non-qualified benefit plan assets	10,562	10,482
Other long-term assets	2,029	2,480
Total assets	$ 621,040	$ 589,983
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 42,864	$ 32,319
Accrued expenses and other current liabilities	23,532	26,182
Floor plan obligations	21,174	2,612
Operating lease liability - current	7,185	7,394
Income taxes payable	1,612	1,685
Short term borrowings	12,000	—
Current portion of long-term debt	7,416	—
Total current liabilities	115,783	70,192
Retiree benefits and deferred compensation	13,309	13,616
Deferred income taxes	24,605	24,574
Long-term debt, less current portion	140,467	146,679
Operating lease liability - noncurrent	62,636	64,785
Other long-term liabilities	5,355	5,922
Stockholders' equity:		
Common Stock, par value $0.01, 200,000,000 shares authorized, 23,209,426 and 23,094,047 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively	232	231
Additional paid-in capital	172,080	170,092
Retained earnings	81,552	88,420
Accumulated other comprehensive income, net of tax	5,021	5,472
Total stockholders' equity	258,885	264,215
Total liabilities and stockholders' equity	$ 621,040	$ 589,983

See the accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended	
	March 31, 2025	March 31, 2024
	(unaudited)	
Net sales	$ 115,067	$ 95,655
Cost of sales	86,928	76,735
Gross profit	28,139	18,920
Selling, general, and administrative expense	23,387	21,488
Impairment charges	—	1,224
Intangibles amortization	1,550	2,630
Income (loss) from operations	3,202	(6,422)
Interest expense, net	(2,384)	(3,524)
Debt modification expense	(176)	—
Loss on extinguishment of debt	(156)	—
Other income, net	4	3
Income (loss) before taxes	490	(9,943)
Income tax expense (benefit)	342	(1,591)
Net income (loss)	$ 148	$ (8,352)
Weighted average number of common shares outstanding:		
Basic	23,121,555	23,009,369
Diluted	23,121,555	23,009,369
Earnings (loss) per common share:		
Basic	$ 0.01	$ (0.37)
Diluted	$ (0.00)	$ (0.37)
Cash dividends declared and paid per share	$ 0.30	$ 0.30
Comprehensive loss	$ (303)	$ (8,012)

See the accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended	
	March 31, 2025	March 31, 2024
	(unaudited)	
Operating activities		
Net income (loss)	$ 148	$ (8,352)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	3,823	5,345
Gain on disposal of fixed assets	-	(6)
Amortization of deferred financing costs and debt discount	169	147
Debt modification expense	176	-
Loss on extinguishment of debt	156	-
Stock-based compensation	2,150	355
Adjustments on derivatives not classified as hedges	-	(172)
Provision for losses on accounts receivable	157	179
Deferred income taxes	31	96
Impairment charges	-	1,224
Non-cash lease expense	2,056	1,364
Changes in operating assets and liabilities:		
Accounts receivable	18,030	25,001
Inventories	(34,438)	(34,378)
Prepaid assets, refundable income taxes and other assets	(1,782)	(3,250)
Accounts payable	10,953	(6,695)
Accrued expenses and other current liabilities	(2,903)	(2,238)
Benefit obligations, long-term liabilities and other	(63)	(241)
Net cash used in operating activities	(1,337)	(21,621)
Investing activities		
Capital expenditures	(2,161)	(1,328)
Net cash used in investing activities	(2,161)	(1,328)
Financing activities		
Shares withheld on restricted stock vesting paid for employees' taxes	(161)	-
Payments on life insurance policy loans	(119)	(204)
Payments of financing costs	(200)	(279)
Dividends paid	(7,016)	(6,750)
Net revolver borrowings	12,000	8,000
Borrowings on long-term debt	148,770	-
Repayment of long-term debt	(147,688)	-
Net cash provided by financing activities	5,586	767
Change in cash and cash equivalents	2,088	(22,182)
Cash and cash equivalents at beginning of period	5,119	24,156
Cash and cash equivalents at end of period	$ 7,207	$ 1,974
Non-cash operating and financing activities		
Truck chassis inventory acquired through floorplan obligations	$ 19,083	$ 3,211

See the accompanying notes to condensed consolidated financial statements.

Douglas Dynamics, Inc.
Condensed Consolidated Statements of Shareholders' Equity
(In thousands except share data)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
	Shares	Dollars				
Three Months Ended March 31, 2025						
Balance at December 31, 2024	23,094,047	$ 231	$ 170,092	$ 88,420	$ 5,472	$ 264,215
Net income	—	—	—	148	—	148
Dividends paid	—	—	—	(7,016)	—	(7,016)
Adjustment for postretirement benefit liability, net of tax of $4	—	—	—	—	(12)	(12)
Adjustment for interest rate swap, net of tax of $176	—	—	—	—	(500)	(500)
Adjustment for steel hedging instrument, net of tax of ($22)	—	—	—	—	61	61
Shares withheld on restricted stock vesting	—	—	(161)	—	—	(161)
Stock based compensation	115,379	1	2,149	—	—	2,150
Balance at March 31, 2025	23,209,426	$ 232	$ 172,080	$ 81,552	$ 5,021	$ 258,885
Three Months Ended March 31, 2024						
Balance at December 31, 2023	22,983,965	$ 230	$ 165,233	$ 59,746	$ 6,356	$ 231,565
Net loss	—	—	—	(8,352)	—	(8,352)
Dividends paid	—	—	—	(6,750)	—	(6,750)
Adjustment for pension and postretirement benefit liability, net of tax of $14	—	—	—	—	(40)	(40)
Adjustment for interest rate swap, net of tax of ($133)	—	—	—	—	380	380
Stock based compensation	110,082	1	354	—	—	355
Balance at March 31, 2024	23,094,047	$ 231	$ 165,587	$ 44,644	$ 6,696	$ 217,158

See the accompanying notes to condensed consolidated financial statements.

Douglas Dynamics, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
(In thousands except share and per share data)

1. Basis of presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for fiscal year-end financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. For further information, refer to the financial statements and related footnotes included in our 2024 Form 10-K (Commission File No. 001-34728) filed with the Securities and Exchange Commission on February 25, 2025.

The Company conducts business in two segments: Work Truck Attachments and Work Truck Solutions. Under this reporting structure, the Company's two reportable business segments are as follows:

Work Truck Attachments. The Work Truck Attachments segment includes commercial snow and ice management attachments sold under the FISHER®, WESTERN® and SNOWEX® brands, as well as our vertically integrated products. This segment consists of our operations that manufacture and sell snow and ice control products.

Work Truck Solutions. The Work Truck Solutions segment includes manufactured municipal snow and ice control products under the HENDERSON® brand and the up-fit of market leading attachments and storage solutions under the HENDERSON® brand, and the DEJANA® brand and its related sub-brands.

See Note 15 to the Unaudited Condensed Consolidated Financial Statements for financial information regarding these segments.

Interim Condensed Consolidated Financial Information

The accompanying Condensed Consolidated Balance Sheet as of March 31, 2025, the Condensed Consolidated Statements of Operations and Comprehensive Loss and the Condensed Consolidated Statements of Shareholders' Equity for the three months ended March 31, 2025 and 2024, and the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2025 and 2024, have been prepared by the Company and have not been audited.

The Company's Work Truck Attachments segment is seasonal and, consequently, its results of operations and financial condition vary from quarter-to-quarter. Because of this seasonality, the results of operations of the Work Truck Attachments segment for any quarter may not be indicative of results of operations that may be achieved for a subsequent quarter or the full year, and may not be similar to results of operations experienced in prior years. The Company attempts to manage the seasonal impact of snowfall on its revenues in part through its pre-season sales program. This pre-season sales program encourages the Company's distributors to re-stock their inventory of Work Truck Attachments products during the second and third quarters in anticipation of the peak fourth quarter retail sales period by offering favorable pre-season pricing and payment deferral until the fourth quarter. Thus, the Company's Work Truck Attachments segment tends to generate its greatest volume of sales during the second and third quarters. By contrast, its revenue and operating results tend to be lowest during the first quarter, as management believes the end-users of Work Truck Attachments products prefer to wait until the beginning of a snow season to purchase new equipment and as the Company's distributors sell off Work Truck Attachments inventory and wait for the pre-season sales incentive period to re-stock inventory. Fourth quarter sales vary from year-to-year as they are primarily driven by the level, timing and location of snowfall during the quarter. This is because most of the Company's Work Truck Attachments fourth quarter sales and shipments consist of re-orders by distributors seeking to restock inventory to meet immediate customer needs caused by snowfall during the winter months. In addition, due to the factors noted above, Work Truck Attachments working capital needs are highest in the second and third quarters as its accounts receivable rise from pre-season sales. These working capital needs decline in the fourth quarter as the Company receives payments for its pre-season shipments.

2. Revenue Recognition

Revenue Streams

The following is a description of principal activities from which the Company generates revenue. Revenues are recognized when control of the promised goods or services are transferred to the customer, in an amount that reflects the consideration that the Company expects to be entitled to in exchange for those goods or services. The Company generates all of its revenue from contracts with customers. Additionally, contract amounts represent the full amount of the transaction price as agreed upon with the customer at the time of order, resulting in a single performance obligation in most cases. In the case of a single order containing multiple upfits, the transaction price may represent multiple performance obligations.

Work Truck Attachments

The Company recognizes revenue upon shipment of equipment to the customer. Within the Work Truck Attachments segment, the Company offers a variety of discounts and sales incentives to its distributors, which are accounted for as variable consideration. The estimated liability for sales discounts and allowances is calculated using the expected value method and recorded at the time of sale as a reduction of net sales. The liability is estimated based on the costs of the program, the planned duration of the program, expected market conditions and historical experience.

The Work Truck Attachments segment has two revenue streams, as identified below.

Independent Dealer Sales – Revenues from sales to independent dealers are recognized when the dealer customer obtains control of the Company's product, which occurs at a point in time, typically upon shipment. In these instances, each product is considered a separate performance obligation, and revenue is recognized upon shipment of the goods. Any shipping and handling activities performed by the Company after the transfer of control to the customer (e.g., when control transfers upon shipment) are considered fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized.

Parts & Accessory Sales – The Company's equipment is used in harsh conditions and parts frequently wear out. These parts drive recurring revenues through parts and accessory sales. The process for recording parts and accessory sales is consistent with the independent dealer sales noted above.

Work Truck Solutions

The Work Truck Solutions segment primarily participates in the truck and vehicle upfitting industry in the United States. Customers are billed separately for the truck chassis by the chassis manufacturer. The Company only records sales for the amount of the upfit, excluding the truck chassis. Generally, the Company obtains the truck chassis from the truck chassis manufacturer through either its floor plan agreement with a financial institution or bailment pool agreement with the truck chassis manufacturer. Additionally, in some instances the Company upfits chassis which are owned by the end customer. For truck chassis acquired through the floor plan agreement, the Company holds title to the vehicle from the time the chassis is received by the Company until the completion of the up-fit. Under the bailment pool agreement, the Company does not take title to the truck chassis, but rather only holds the truck chassis on consignment. The Company pays interest on both of these arrangements. The Company records revenue in the same manner net of the value of the truck chassis in both the Company's floor plan and bailment pool agreements. The Company does not set the price for the truck chassis, is not responsible for the billing of the chassis and does not have inventory risk in either the bailment pool or floor plan agreements. The Work Truck Solutions segment also has manufacturing operations of municipal snow and ice control equipment, where revenue is recognized upon shipment of equipment to the customer.

Revenues from the sales of the Work Truck Solutions products are recognized net of the truck chassis with the selling price to the customer recorded as sales and the manufacturing and up-fit cost of the product recorded as cost of sales. In these cases, the Company acts as an agent as it does not have inventory or pricing control over the truck chassis. Within the Work Truck Solutions segment, the Company also sells certain third-party products for which it acts as an agent. These sales do not meet the criteria for gross sales recognition, and thus are recognized on a net basis at the time of sale. Under net sales recognition, the cost paid to the third-party service provider is recorded as a reduction to sales, resulting in net sales being equal to the gross profit on the transaction.

The Work Truck Solutions segment has four revenue streams, as identified below.

State and Local Bids – The Company records revenue of separately sold snow and ice equipment upon shipment and fully upfit vehicles upon delivery. The state and local bid process does not obligate the entity to buy any products from the Company, but merely allows the entity to purchase products in the future, typically for a fixed period of time. The entity commits to actually purchasing products from the Company when it issues purchase orders off of a previously awarded bid, which lists out actual quantities of equipment being ordered and the delivery terms. On upfit transactions, the Company is providing a significant service by assembling and integrating the individual products onto the customer's truck. Each individual product and installation activity is highly interdependent and highly interrelated, and therefore the Company considers the manufacture and upfit of a truck a single performance obligation. Any shipping and handling activities performed by the Company after the transfer of control to the customer (e.g., when control transfers upon shipment) are considered fulfillment activities, and accordingly, the costs are accrued for when the related revenue is recognized.

Fleet Upfit Sales – The Company enters into contracts with certain fleet customers. Fleet agreements can create enforceable rights without the issuance of a purchase order. Typically, these agreements outline the terms of sale, payment terms, standard pricing, and the rights of the customer and seller. These agreements also obligate the customer to purchase a specified quantity of products. Fleet sales are performed on both customer owned vehicles as well as non-customer owned vehicles. For non-customer owned vehicles, revenue is recognized at a point in time upon delivery of the truck to the customer. For customer-owned vehicles, per Topic 606, revenue is recognized over time based on a cost input method as the Company's performance enhances an asset the customer controls while the asset is enhanced. The Company accumulates costs incurred on partially completed customer-owned upfits based on estimated margin and completion.

Dealer Upfit Sales – The Company upfits work trucks for independent dealer customers. Dealer upfit revenue is recorded upon delivery. The customer does not own the vehicles during the upfit process, and as such revenue is recorded at a point in time upon delivery to the customer.

Over the Counter / Parts & Accessory Sales – Work Truck Solutions part and accessory sales are recorded as revenue upon shipment. Additionally, customers can purchase parts at any of the Company's showrooms. In these instances, each product is considered a separate performance obligation, and revenue is recognized upon shipment of the goods or customer pick up.

Disaggregation of Revenue

The following table provides information about disaggregated revenue by customer type and timing of revenue recognition, and includes a reconciliation of the disaggregated revenue with reportable segments.

Revenue by customer type was as follows:

Three Months Ended March 31, 2025	**Work Truck Attachments**	**Work Truck Solutions**	**Total Revenue**
Independent dealer	$ 36,457	$ 33,406	$ 69,863
Government	-	27,324	27,324
Fleet	-	15,840	15,840
Other	-	2,040	2,040
Total revenue	$ 36,457	$ 78,610	$ 115,067

Three Months Ended March 31, 2024	**Work Truck Attachments**	**Work Truck Solutions**	**Total Revenue**
Independent dealer	$ 23,840	$ 33,281	$ 57,121
Government	-	21,691	21,691
Fleet	-	14,009	14,009
Other	-	2,834	2,834
Total revenue	$ 23,840	$ 71,815	$ 95,655

Revenue by timing of revenue recognition was as follows:

Three Months Ended March 31, 2025	**Work Truck Attachments**	**Work Truck Solutions**	**Total Revenue**
Point in time	$ 36,457	$ 52,390	$ 88,847
Over time	-	26,220	26,220
Total revenue	$ 36,457	$ 78,610	$ 115,067

Three Months Ended March 31, 2024	**Work Truck Attachments**	**Work Truck Solutions**	**Total Revenue**
Point in time	$ 23,840	$ 46,342	$ 70,182
Over time	-	25,473	25,473
Total revenue	$ 23,840	$ 71,815	$ 95,655

Contract Balances

The following table shows the changes in the Company's contract liabilities during the three months ended March 31, 2025 and 2024, respectively:

Three Months Ended March 31, 2025	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period
Contract liabilities	$ 5,063	$ 3,479	$ (2,868)	$ 5,674

Three Months Ended March 31, 2024	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period
Contract liabilities	$ 4,009	$ 4,823	$ (2,776)	$ 6,056

The Company receives payments from customers based upon contractual billing schedules. Contract assets include amounts related to the contractual right to consideration for completed performance obligations not yet invoiced. There were no contract assets as of March 31, 2025 or 2024. Contract liabilities include payments received in advance of performance under the contract, variable freight allowances which are refunded to the customer, and rebates paid to distributors under the Company's municipal rebate program, and are realized with the associated revenue recognized under the contract.

The Company recognized revenue of $581 and $959 during the three months ended March 31, 2025 and 2024, respectively, which was included in contract liabilities at the beginning of each period.

3. Credit Losses

The majority of the Company's accounts receivable are due from distributors of truck equipment and dealers of completed upfit trucks. Credit is extended based on an evaluation of a customer's financial condition. A receivable is considered past due if payments have not been received within agreed upon invoice terms. Accounts receivable are written off after all collection efforts have been exhausted. The Company takes a security interest in the inventory as collateral for the receivable but often does not have a priority security interest. The Company has short-term accounts receivable at its Work Truck Attachments and Work Truck Solutions segments subject to evaluation for expected credit losses. Expected credit losses are estimated based on the loss-rate and probability of default methods. On a periodic basis, the Company evaluates its accounts receivable and establishes the allowance for credit losses based on specific customer circumstances, past events including collections and write-off history, current conditions, and reasonable forecasts about the future.

The following table rolls forward the activity related to credit losses for trade accounts receivable at each segment, and on a consolidated basis for the three months ended March 31, 2025 and 2024:

	Balance at December 31, 2024	Additions (reductions) charged to earnings	Writeoffs	Changes to reserve, net	Balance at March 31, 2025
Three Months Ended March 31, 2025					
Work Truck Attachments	$ 1,768	$ 100	$ (8)	$ (3)	$ 1,857
Work Truck Solutions	604	57	(2)	18	677
Total	$ 2,372	$ 157	$ (10)	$ 15	$ 2,534

	Balance at December 31, 2023	Additions (reductions) charged to earnings	Writeoffs	Changes to reserve, net	Balance at March 31, 2024
Three Months Ended March 31, 2024					
Work Truck Attachments	$ 1,400	$ 104	$ -	$ (1)	$ 1,503
Work Truck Solutions	246	75	-	69	390
Total	$ 1,646	$ 179	$ -	$ 68	$ 1,893

4. Fair Value

Fair value is the price at which an asset could be exchanged in a current transaction between knowledgeable, willing parties. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. Fair value measurements are categorized into one of three levels based on the lowest level of significant input used: Level 1 (unadjusted quoted prices in active markets); Level 2 (observable market inputs available at the measurement date, other than quoted prices included in Level 1); and Level 3 (unobservable inputs that cannot be corroborated by observable market data).

The following table presents financial assets and liabilities measured at fair value on a recurring basis and discloses the fair value of long-term debt:

	Fair Value at March 31, 2025	Fair Value at December 31, 2024
Assets:		
Non-qualified benefit plan assets (a)	$ 10,562	$ 10,482
Interest rate swaps (b)	1,665	2,340
Steel hedging instrument (d)	29	-
Total Assets	$ 12,227	$ 12,822
Liabilities:		
Long-term debt (c)	$ 149,579	$ 147,526
Steel hedging instrument (d)	-	54
Total Liabilities	$ 149,579	$ 147,580

(a) Included in Non-qualified benefit plan assets is the cash surrender value of insurance policies on various individuals that are associated with the Company. The carrying amount of these insurance policies approximates their fair value and is considered a Level 2 input. The Company had outstanding loans of $427 and $546 against these Non-qualified benefit plan assets as of March 31, 2025 and December 31, 2024, respectively, included in Other long-term liabilities on the Condensed Consolidated Balance Sheets, respectively.

(b) Valuation models are calibrated to initial trade price. Subsequent valuations are based on observable inputs to the valuation model (e.g. interest rates and credit spreads). Model inputs are changed only when corroborated by market data. A credit risk adjustment is made on each swap using observable market credit spreads. Thus, inputs used to determine fair value of the interest rate swap are Level 2 inputs. Interest rate swaps of $1,489 and $176 at March 31, 2025 are included in Prepaid and other current assets and Other long-term assets, respectively. Interest rate swaps of $1,712 and $628 at December 31, 2024 are included in Prepaid and other current assets and Other long-term assets, respectively.

(c) The fair value of the Company’s long-term debt, including current maturities, approximates its carrying value. Long-term debt is recorded at carrying amount, net of discount and deferred debt issuance costs, as disclosed on the face of the balance sheet.

(d) Valuation models are calibrated to initial trade price. Subsequent valuations are based on observable inputs to the valuation model (e.g., market prices). Model inputs are changed only when corroborated by market data. Thus, inputs used to determine fair value of the interest rate swap are Level *2* inputs. Steel hedging instruments of $29 and $54 at March 31, 2025 and December 31, 2024, respectively, are included in Prepaid and other current assets and Accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheets, respectively.

5. Inventories

Inventories consist of the following:

	March 31, 2025	December 31, 2024
Finished goods	$ 85,515	$ 67,897
Work-in-process	19,800	13,337
Truck chassis inventory	22,054	10,146
Raw material and supplies	44,103	45,654
	$ 171,472	$ 137,034

The inventories in the table above do not include truck chassis inventory financed through a floor plan financing agreement, which are recorded separately on the balance sheet. The Company takes title to truck chassis upon receipt of the inventory through its floor plan agreement and performs upfitting service installations to the truck chassis inventory during the installation period. The floor plan obligation is then assumed by the dealer customer upon delivery. At March 31, 2025 and December 31, 2024, the Company had $21,174 and $2,612, respectively, of floor plan chassis inventory and $21,174 and $2,612 of related floor plan financing obligation, respectively. Under the floor plan financing agreement, the Company recognizes revenue associated with upfitting and service installations net of the truck chassis in instances where the Company does not purchase the chassis.

6. Property, plant and equipment

Property, plant and equipment are summarized as follows:

	March 31, 2025	December 31, 2024
Land	$ 162	$ 162
Land improvements	140	140
Leasehold improvements	7,141	7,028
Buildings	2,958	2,958
Machinery and equipment	82,635	82,332
Furniture and fixtures	27,398	27,214
Mobile equipment and other	5,744	5,601
Construction-in-process	5,714	4,737
Total property, plant and equipment	131,892	130,172
Less accumulated depreciation	(91,101)	(88,861)
Property, plant and equipment, net	$ 40,791	$ 41,311

7. Leases

The Company has operating leases for manufacturing and upfit facilities, land and parking lots, warehousing space and certain equipment. The leases have remaining lease terms of less than one year to 15 years, some of which include options to extend the leases for up to 20 years. Such renewal options were not included in the determination of the lease term unless deemed reasonably certain of exercise. The discount rate used in measuring the lease liabilities is based on the Company's interest rate on the term loan facility under its secured Agreement. Certain of the Company's leases contain escalating rental payments based on an index. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In September 2024, the Company closed on a sale leaseback transaction with an unrelated third party. Under this transaction, the Company sold seven properties with a combined net book value of $21,852 for gross proceeds of $64,150, which was reduced by transaction costs of $5,494 for net cash proceeds of approximately $58,656. The properties in the sale leaseback transaction are comprised of three facilities located in Milwaukee, Wisconsin and four additional facilities located in each of Huntley, Illinois; Manchester, Iowa; Rockland, Maine; and Madison Heights, Michigan, totaling approximately 780,000 square feet of manufacturing and upfitting space. The lease agreement has an initial term of 15 years, with two optional 10-year renewal options. The Company recognized a gain of $42,298 on this transaction, which is included in Gain on sale leaseback transaction in the Consolidated Statements of Operations and Comprehensive Income in the year ended December 31, 2024. Right-of-use assets and lease liabilities recognized related to this sale leaseback transaction were $51,879 and $51,879, respectively.

Lease Expense

The components of lease expense, which are included in Cost of sales and Selling, general and administrative expenses on the Condensed Consolidated Statements of Operations and Comprehensive Loss, were as follows:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Operating lease expense	$ 3,269	$ 1,596
Short term lease cost	$ 123	$ 93
Total lease cost	$ 3,392	$ 1,689

Cash Flow

Supplemental cash flow information related to leases is as follows:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cash paid for amounts included in the measurement of operating lease liabilities	$ 3,060	$ 1,639
Non-cash lease expense - right-of-use assets	$ 2,056	$ 1,364
Right-of-use assets obtained in exchange for operating lease obligations	$ 163	$ 43

Balance Sheet

Supplemental balance sheet information related to leases is as follows:

	March 31, 2025	December 31, 2024
Operating Leases		
Operating lease right-of-use assets	$ 68,271	$ 70,801
Other current liabilities	7,185	7,394
Operating lease liabilities	62,636	64,785
Total operating lease liabilities	$ 69,821	$ 72,179
Weighted Average Remaining Lease Term		
Operating leases (in months)	151	151
Weighted Average Discount Rate		
Operating leases	7.09%	7.05%

Lease Maturities

Maturities of leases were as follows:

Year ending December 31,	**Operating Leases**
2025 (excluding the three months ended March 31, 2025)	$ 8,944
2026	10,637
2027	8,839
2028	7,798
2029	7,102
Thereafter	63,864
Total Lease Payments	107,184
Less: imputed interest	(37,363)
Total	$ 69,821

8. Other Intangible Assets

The following is a summary of the Company's other intangible assets:

	Gross Carrying Amount	**Less Accumulated Amortization**	**Net Carrying Amount**
March 31, 2025			
Indefinite-lived intangibles:			
Trademark and tradenames	$ 77,600	$ -	$ 77,600
Amortizable intangibles:			
Dealer network	80,000	80,000	-
Customer relationships	80,920	49,170	31,750
Patents	21,136	19,709	1,427
Noncompete agreements	8,640	8,640	-
Trademarks	5,459	4,236	1,223
Amortizable intangibles, net	196,155	161,755	34,400
Total	$ 273,755	$ 161,755	$ 112,000

	Gross Carrying Amount	**Less Accumulated Amortization**	**Net Carrying Amount**
December 31, 2024			
Indefinite-lived intangibles:			
Trademark and tradenames	$ 77,600	$ -	$ 77,600
Amortizable intangibles:			
Dealer network	80,000	80,000	-
Customer relationships	80,920	47,876	33,044
Patents	21,136	19,506	1,630
Noncompete agreements	8,640	8,640	-
Trademarks	5,459	4,183	1,276
Amortizable intangibles, net	196,155	160,205	35,950
Total	$ 273,755	$ 160,205	$ 113,550

Amortization expense for intangible assets was $1,550 and $2,630 for the three months ended March 31, 2025 and 2024, respectively. Estimated amortization expense for the remainder of 2025 and each of the succeeding five years is as follows:

2025	$	4,526
2026		5,450
2027		5,450
2028		5,450
2029		5,300
2030		4,566

9. Long-Term Debt

Long-term debt is summarized below:

	March 31, 2025	December 31, 2024
Term Loan, net of debt discount of $421 and $162 at March 31, 2025 and December 31, 2024, respectively	$ 149,579	$ 147,526
Less current maturities	7,416	-
Long-term debt before deferred financing costs	142,163	147,526
Deferred financing costs, net	1,696	847
Long-term debt, net	$ 140,467	$ 146,679

On March 26, 2025, the Company entered into an Amended and Restated Credit Agreement (the "Credit Agreement"), which amended and restated the Credit Agreement dated June 9, 2021 (as amended by Amendment No. 1, dated as of January 5, 2023, Amendment No. 2, dated as of July 11, 2023, and Amendment No. 3, dated as of January 29, 2024, the "Original Credit Agreement"). The Credit Agreement provides for a senior secured term loan to the Term Loan Borrower in the amount of $150,000 and a senior secured revolving credit facility available to the Revolving Loan Borrowers in the amount of $125,000, of which $10,000 will be available in the form of letters of credit and $15,000 will be available for the issuance of short-term swingline loans. The Credit Agreement also allows the Borrowers to request increases to the revolving commitments and/or incremental term loans in an aggregate amount not in excess of $175,000, subject to specified terms and conditions. The final maturity date of the Credit Agreement is March 26, 2030. The Company applied the proceeds of the senior secured term loan facility under the Credit Agreement to refinance its existing senior secured term loan and revolving credit facilities under the Original Credit Agreement and for the payment of transaction consideration and expenses in connection with the Credit Agreement. The Company is required to pay a fee for unused amounts under the senior secured revolving facility in an amount ranging from 0.150% to 0.300% of the average daily unused portion of the senior secured revolving credit facility, depending on the Company's Leverage Ratio (as defined in the Credit Agreement). The Credit Agreement provides that the senior secured term loan facility will bear interest at (i) the Term SOFR Rate for the applicable interest period plus (ii) a margin ranging from 1.375% to 2.000%, depending on the Company's Leverage Ratio. The Credit Agreement provides that the Company have the option to select whether the senior secured revolving credit facility borrowings will bear interest at either (i)(a) the Term SOFR Rate for the applicable interest period plus (b) a margin ranging from 1.375% to 2.000%, depending on the Company's s Leverage Ratio, or (ii) a margin ranging from 0.375% to 1.000% per annum, depending on the Company's Leverage Ratio, plus the greatest of (which if the following would be less than 1.00%, such rate shall be deemed to be 1.00%) (a) the Prime Rate (as defined in the Credit Agreement) in effect on such day, (b) the NYFRB Rate (as defined in the Credit Agreement) plus 0.50% and (c) the Term SOFR Rate for a one month interest period plus 1%. If the Term SOFR Rate for the applicable interest period is less than zero, such rate shall be deemed to be zero for purposes of calculating the foregoing interest rates in the Credit Agreement. The Credit Agreement permits the Company to take out loans of up to $1,000 against its corporate-owned life insurance policies as included in Non-qualified benefit plan assets on the Condensed Consolidated Balance Sheets. The Company had outstanding loans of $427 and $546 against its corporate-owned life insurance policies as of March 31, 2025 and December 31, 2024, respectively, included in Other long-term liabilities on the Condensed Consolidated Balance Sheets.

The Credit Agreement was issued at a $312 discount which is being amortized over the term of the term loan. Additionally, deferred financing costs of $863 and revolver upfront fees of $260 are being amortized over the term of the loan. A portion of the Company's entrance into the Credit Agreement and subsequent settlement of its prior credit agreements is accounted for as an extinguishment of the Company's prior debt, which resulted in the write off of unamortized capitalized deferred financing costs of $131 as well as the write off of unamortized debt discount of $25, resulting in a loss on extinguishment of debt of $156 in the Condensed Consolidated Statement Operations and Comprehensive Loss for the three months ended March 31, 2025. A portion of the Company's entrance into the Credit Agreement and subsequent settlement of its prior credit agreements is accounted for as a modification of the Company's prior debt. The Company recorded debt modification expense of $175 related to third party fees the Condensed Consolidated Statement Operations and Comprehensive Loss for the three months ended March 31, 2025.

At March 31, 2025, the Company had outstanding borrowings under its term loan of $149,579, $12,000 in outstanding borrowings on its revolving credit facility, and remaining borrowing availability of $112,450. At December 31, 2024, the Company had outstanding borrowings under its term loan of $147,526, $0 in outstanding borrowings on its revolving credit facility, and remaining borrowing availability of $149,450. During the year ended December 31, 2024, the Company made a pre-payment of $42,000 of debt amortization principal payments under its Original Credit Agreement using a portion of the proceeds from the sale leaseback transaction, as described in Note 7.

The 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. 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 the fiscal quarter ending March 21, 2025. As of March 31, 2025, the Company was in compliance with the respective covenants under the Credit Agreement.

On June 13, 2019, the Company entered into an interest rate swap agreement to reduce its exposure to interest rate volatility. The interest rate swap has a notional amount of $175,000 effective for the period May 31, 2019 through May 31, 2024. The Company may have counterparty credit risk resulting from the interest rate swap, which it monitors on an on-going basis. The risk lies with one global financial institution. Under the interest rate swap agreement, the Company will either receive or make payments on a monthly basis based on the differential between 2.424% and SOFR. The interest rate swap was previously accounted for as a cash flow hedge. During the first quarter of 2020, the swap was determined to be ineffective. As a result, the swap was dedesignated on March 19, 2020, and the remaining losses included in Accumulated other comprehensive income (loss) on the Condensed Consolidated Balance Sheets would be amortized into interest expense on a straight-line basis through the life of the swap. The amount amortized from Accumulated other comprehensive income (loss) into earnings during the three months ended March 31, 2025 and 2024 was $0 and ($291), respectively. A mark-to-market adjustment of $0 and $119 was recorded as Interest expense in the Condensed Consolidated Statements of Operations and Comprehensive Loss for the three months ended March 31, 2025 and 2024, respectively, related to the swap.

On June 9, 2021, in conjunction with entering into the Original Credit Agreement described above, the Company re-designated its swap. As a result, the swap will be recorded at fair value with changes recorded in Accumulated other comprehensive income (loss). The amortization from Accumulated other comprehensive income (loss) into earnings from the previous dedesignation has been adjusted as of June 9, 2021 to include the de-recognition of previously recognized mark-to-market gains and the amortization of the off-market component as of the re-designation date, and will continue to be recognized through the life of the swap. As of March 31, 2025, the amount in Accumulated other comprehensive income has been fully amortized into earnings.

On May 19, 2022, the Company entered into an interest rate swap agreement to further reduce its exposure to interest rate volatility. The interest rate swap has a notional amount of $125,000 effective for the period May 31, 2024 through June 9, 2026. The Company may have counterparty credit risk resulting from the interest rate swap, which it monitors on an on-going basis. The risk lies with two global financial institutions. Under the interest rate swap agreement, the Company will either receive or make payments on a monthly basis based on the differential between 2.718% and SOFR. The interest rate swap is accounted for as a cash flow hedge.

The interest rate swaps' positive fair value at March 31, 2025 was $1,665, of which $1,489 and $176 are included in Prepaid and other current assets and Other long-term assets on the Condensed Consolidated Balance Sheet, respectively. The interest rate swaps' positive fair value at December 31, 2024 was $2,340, of which $1,712 and $628 are included in Prepaid and other current assets and Other long-term assets on the Condensed Consolidated Balance Sheet, respectively.

On December 17, 2024, the Company entered into a steel hedging agreement to reduce its exposure to commodity price swings. The steel hedging instrument has a notional quantity of 3,000 short tons and is effective for the period August 1, 2025 through December 31, 2025, which the Company expects to be slightly less than half of its exposure during the effective period. Under the steel hedge agreement, the Company will make fixed payments of $819 per short ton for the Steel Hot Rolled Coil (HRC) commodity. The steel hedging instrument is accounted for as a cash flow hedge. The steel hedging instrument's fair value at March 31, 2025 and December 31, 2024 was positive $29 and negative $54, respectively, which is included in Prepaid and other current assets and Accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheets, respectively.

On January 20, 2025, the Company entered into a floor plan line of credit for up to $20,000 with a financial institution that expires on January 31, 2026. Under the floor plan agreement, the Company receives truck chassis and title for upfitting service installations. Upon upfit completion, the title transfers from the Company to the customer. The note bears interest at prime, less 0.50%.

10. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities are summarized as follows:

	March 31, 2025	December 31, 2024
Payroll and related costs	$ 6,059	$ 9,876
Employee benefits	6,725	6,391
Accrued warranty	3,467	3,379
Other	7,281	6,536
	$ 23,532	$ 26,182

11. Warranty Liability

The Company accrues for estimated warranty costs as sales are recognized and periodically assesses the adequacy of its recorded warranty liability and adjusts the amount as necessary. The Company’s warranties generally provide, with respect to its snow and ice control equipment, that all material and workmanship will be free from defect for a period of two years after the date of purchase by the end-user, and with respect to its parts and accessories purchased separately, that such parts and accessories will be free from defect for a period of one year after the date of purchase by the end-user. All of the Company’s warranties are assurance-type warranties. Certain snowplows only provide for a one year warranty. The Company determines the amount of the estimated warranty costs (and its corresponding warranty reserve) based on the Company’s prior five years of warranty history utilizing a formula driven by historical warranty expense and applying management’s judgment. The Company adjusts its historical warranty costs to take into account unique factors such as the introduction of new products into the marketplace that do not provide a historical warranty record to assess. The warranty reserve was $5,129 at March 31, 2025, of which $1,662 is included in Other long-term liabilities and $3,467 is included in Accrued expenses and other current liabilities in the accompanying Condensed Consolidated Balance Sheet. The warranty reserve was $5,559 at December 31, 2024, of which $2,180 is included in Other long-term liabilities and $3,379 is included in Accrued expenses and other current liabilities in the accompanying Condensed Consolidated Balance Sheet.

The following is a rollforward of the Company's warranty liability:

	Three Months Ended	
	March 31, 2025	March 31, 2024
Balance at the beginning of the period	$ 5,559	$ 6,957
Warranty provision	1,080	669
Claims paid/settlements	(1,510)	(1,403)
Balance at the end of the period	$ 5,129	$ 6,223

12. Earnings (Loss) per Share

Basic earnings (loss) per share of common stock is computed by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company. As the Company has granted certain equity awards that both participate in dividend equivalents and do not participate in dividend equivalents, the Company has calculated earnings (loss) per share pursuant to the two-class method, which is an earnings allocation formula that determines earnings (loss) per share for common stock and participating securities according to dividends declared and participation rights in undistributed earnings. All outstanding nonvested shares that contain non-forfeitable rights to dividends or dividend equivalents that participate in undistributed earnings with common stock are considered participating securities and are included in computing earnings (loss) per share pursuant to the two-class method. Potential common shares in the diluted earnings (loss) per share computation are excluded to the extent that they would be anti-dilutive. Weighted average of potentially dilutive non-participating RSU's were 0 and 0 in the three months ended March 31, 2025 and 2024, respectively.

	Three Months Ended	
	March 31, 2025	March 31, 2024
Basic earnings (loss) per common share		
Net income (loss)	$ 148	$ (8,352)
Less: Distributed and undistributed earnings allocated to nonvested shares	8	-
Net income (loss) allocated to common shareholders	$ 140	$ (8,352)
Weighted average common shares outstanding	23,121,555	23,009,369
	$ 0.01	$ (0.37)
Diluted loss per common share		
Net income (loss) allocated to common shareholders - basic	$ 140	$ (8,352)
Add: Undistributed earnings allocated to nonvested shareholders	(161)	-
Net loss allocated to common shareholders - diluted	$ (21)	$ (8,352)
Weighted average common shares outstanding - basic	23,121,555	23,009,369
Dilutive effect of participating securities	-	-
Weighted average common shares outstanding - diluted	23,121,555	23,009,369
	$ (0.00)	$ (0.37)

13. Employee Stock Plans

2010 Stock Incentive Plan and 2024 Stock Incentive Plan

In May 2010, the Company's Board of Directors and stockholders adopted the 2010 Stock Incentive Plan (the "2010 Plan"). The material terms of the performance goals under the 2010 Plan, as amended and restated, were approved by stockholders at the Company's 2014 annual meeting of stockholders and the plan's term was extended further by the stockholders at the Company's 2020 annual meeting of stockholders. The 2010 Plan provided for the issuance of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock awards and restricted stock units ("RSUs"), any of which may be performance-based, and for incentive bonuses, which may be paid in cash or stock or a combination of both, to eligible employees, officers, non-employee directors and other service providers to the Company and its subsidiaries. A maximum of 2,130,000 shares of common stock were available for issuance pursuant to all awards under the 2010 Plan prior to the time that the 2010 Plan was suspended, as described below.

In February 2024, the Company's Board of Directors adopted the 2024 Stock Incentive Plan (the "2024 Plan"), which was subsequently approved by stockholders in April 2024. The 2024 Plan provides for the issuance of nonqualified stock options, stock appreciation rights, restricted stock awards and restricted stock units ("RSUs"), any of which may be performance-based, and for incentive bonuses, which may be paid in cash or stock or a combination of both, to eligible employees, officers, non-employee directors and other service providers to the Company and its subsidiaries. A maximum of 1,277,660 shares of common stock may be issued pursuant to all awards under the 2024 Plan. At the time that the stockholders approved the 2024 Plan, it replaced the 2010 Plan, and no further awards may be issued under the 2010 Plan. Awards that remain outstanding under the 2010 Plan will remain outstanding under the 2010 Plan in accordance with their terms.

Equity awards issued to management under either the 2010 Plan or the 2024 Plan include a retirement provision under which members of management who either (1) are age 65 or older or (2) have at least ten years of service and are at least age 55 will continue to vest in unvested equity awards upon retirement. The retirement provision also stipulates that the employee remain employed by the Company for six months after the first day of the fiscal year of the grant. As the retirement provision does not qualify as a substantive service condition, the Company incurred $158 and $314 in the three months ended March 31, 2025 and 2024, respectively, in additional expense for employees who meet the thresholds of the retirement provision. In 2013, the Company's Nominating and Governance Committee of its Board of Directors approved a retirement provision for the RSUs issued to non-employee directors that accelerates the vesting of such awards upon retirement. Such awards are fully expensed immediately upon grant in accordance with ASC 718, as the retirement provision eliminates substantive service conditions associated with the awards.

Performance Share Unit Awards

The Company has granted performance share units as performance-based awards under the 2010 Plan or the 2024 Plan that are subject to performance conditions over a three year performance period beginning in the year of the grant and, beginning with the 2024 grant, includes three 1-year measurement periods, as well as a vesting component based on a Total Shareholder Return ("TSR") modifier tied to the Company's relative total shareholder return in comparison to the total shareholder return of the S&P Small Cap 600 Industrials market index. The total number of shares issued pursuant to performance share units may be increased, decreased, or unchanged based on this TSR modifier. Upon meeting the prescribed performance conditions, employees will be issued shares which vest immediately at the end of the performance period. Such awards are being expensed over the vesting period from the date of grant through the requisite service period, based upon the most probable outcome. For the first tranche of the 2025 grants, a Monte Carlo simulation has been used to account for the TSR market condition in the grant date fair value of the award, which was $29.13 or $29.39 per share, depending on the grant date. For the second tranche of the 2024 grants, a Monte Carlo simulation has been used to account for the TSR market condition in the grant date fair value of the award, which was $26.16 per share.

The Company recognized $561 and ($1,069) of compensation expense related to the awards in the three months ended March 31, 2025 and 2024, respectively. The unrecognized compensation expense calculated under the fair value method for shares that were, as of March 31, 2025, expected to be earned through the requisite service period was approximately $1,362 and is expected to be recognized through 2028.

Restricted Stock Unit Awards

RSUs are granted to both non-employee directors and management. RSUs do not carry voting rights. While all non-employee director RSUs participate in dividend equivalents, there are two potential classes of management RSUs: one that participates in dividend equivalents, and a second that does not participate in dividend equivalents. Each RSU represents the right to receive one share of the Company's common stock and is subject to time-based vesting restrictions. Participants are not required to pay any consideration to the Company at either the time of grant of a RSU or upon vesting.

A summary of RSU activity for the three months ended March 31, 2025 is as follows:

	Shares	Weighted Average Grant Date Fair value	Weighted Average Remaining Contractual Term (in years)
Unvested at December 31, 2024	374,338	$ 28.02	1.74
Granted	164,573	$ 27.08	1.86
Vested	(143,608)	$ 30.64	-
Cancelled and forfeited	(456)	$ 27.89	-
Unvested at March 31, 2025	394,847	$ 26.68	1.91
Expected to vest in the future at March 31, 2025	385,100	$ 26.68	1.91

The Company recognized $1,589 and $1,424 of compensation expense related to the RSU awards in the three months ended March 31, 2025 and 2024, respectively. The unrecognized compensation expense calculated under the fair value method for shares that were, as of March 31, 2025, expected to be earned through the requisite service period was approximately $6,663 and is expected to be recognized through 2028.

For grants to non-employee directors, vesting occurs as of the grant date. Vested director RSUs are ‘‘settled’’ by the delivery to the participant or a designated brokerage firm of one share of common stock per vested RSU as soon as reasonably practicable following a termination of service of the participant that constitutes a separation from service, or as soon as reasonably practicable upon grant if such election is made by the non-employee director, and in all events no later than the end of the calendar year in which such termination of service occurs or, if later, two and one-half months after such termination of service. Vested management RSUs are “settled” by the delivery to the participant or a designated brokerage firm of one share of common stock per vested RSU as soon as reasonably practicable following vesting.

14. Commitments and Contingencies

In the ordinary course of business, the Company is engaged in various litigation including product liability and intellectual property disputes. However, the Company does not believe that any pending litigation will have a material adverse effect on its consolidated financial position. In addition, the Company is not currently a party to any environmental-related claims or legal matters.

15. Segments

The Company operates through two operating segments for which separate financial information is available, and for which operating results are evaluated regularly by the Company's chief operating decision maker in determining resource allocation and assessing performance.

The Company’s chief operating decision maker is its Chief Executive Officer. The chief operating decision maker assesses performance for the Work Truck Attachments and Work Truck Solutions segments and decides how to allocate resources based on Adjusted EBITDA. The chief operating decision maker uses Adjusted EBITDA to evaluate profit generated by the segments in deciding where to reinvest profits, whether it be within the segments or for other purposes such as paying dividends, repurchasing stock, or other general corporate uses. The chief operating decision maker also uses segment Adjusted EBITDA as a metric in benchmarking performance against competitors, as well as in evaluating the compensation of certain employees.

The Company’s two reportable business segments are as follows:

Work Truck Attachments. The Work Truck Attachments segment includes commercial snow and ice management attachments sold under the FISHER®, WESTERN® and SNOWEX® brands, as well as our vertically integrated products. This segment consists of our operations that manufacture and sell snow and ice control products.

Work Truck Solutions. The Work Truck Solutions segment includes manufactured municipal snow and ice control products under the HENDERSON® brand and the up-fit of market leading attachments and storage solutions under the HENDERSON® brand, and the DEJANA® brand and its related sub-brands.

Segment performance is evaluated based on segment net sales and Adjusted EBITDA. Separate financial information is available for the two operating segments. In addition, segment results include an allocation of all corporate costs to Work Truck Attachments and Work Truck Solutions. No single customer's revenues amounted to 10% or more of the Company's total revenue. Sales are primarily within the United States and substantially all assets are located within the United States.

Sales between Work Truck Attachments and Work Truck Solutions reflect the Company's intercompany pricing policy. The following table shows summarized financial information concerning the Company's reportable segments:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Net sales		
Work Truck Attachments	$ 36,457	$ 23,840
Work Truck Solutions	78,610	71,815
	$ 115,067	$ 95,655
Selling, general and administrative expense		
Work Truck Attachments	$ 12,430	$ 11,661
Work Truck Solutions	10,957	9,827
	$ 23,387	$ 21,488
Other segment items (1)		
Work Truck Attachments	$ 23,700	$ 16,647
Work Truck Solutions	58,549	55,986
	$ 82,249	$ 72,633
Adjusted EBITDA		
Work Truck Attachments	$ 327	$ (4,468)
Work Truck Solutions	9,104	6,002
	$ 9,431	$ 1,534
Depreciation and amortization expense		
Work Truck Attachments	$ 1,950	$ 3,347
Work Truck Solutions	1,873	1,998
	$ 3,823	$ 5,345
Assets		
Work Truck Attachments	$ 364,562	$ 374,045
Work Truck Solutions	256,478	203,031
	$ 621,040	$ 577,076
Capital Expenditures		
Work Truck Attachments	$ 1,095	$ 675
Work Truck Solutions	658	99
	$ 1,753	$ 774

Adjusted EBITDA		
Work Truck Attachments	$ 327	$ (4,468)
Work Truck Solutions	9,104	6,002
Total Adjusted EBITDA	$ 9,431	$ 1,534
Less items to reconcile Adjusted EBITDA to income (loss) before taxes:		
Interest expense - net	2,384	3,524
Depreciation expense	2,273	2,715
Amortization	1,550	2,630
Stock based compensation	2,150	355
Impairment charges (2)	-	1,224
Debt modification expense	176	-
Loss on extinguishment of debt	156	-
Other charges (3)	252	1,029
Income (loss) before taxes	$ 490	$ (9,943)

(1) Includes cost of sales, other (income) expense, and the addback of depreciation expense, stock based compensation, impairment charges, and unrelated legal, severance, restructuring, and consulting fees for the periods presented.
(2) Reflects impairment charges taken on certain internally developed software in the three months ended March 31, 2024.
(3) Reflects unrelated legal, severance, restructuring and consulting fees for the periods presented.

16. Income Taxes

The Company’s effective tax rate was 69.8% and 16.0% for the three months ended March 31, 2025 and 2024, respectively. The effective tax rate for the three months ended March 31, 2025 was impacted by discrete tax expense of $167 related to excess tax from stock compensation, and due to the low pre-tax income in the period, the rate was more significantly affected. The effective tax rate for the three months ended March 31, 2024 was impacted by discrete tax expense of $391 related to excess tax from stock compensation.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The largest item affecting deferred taxes is the difference between book and tax amortization of goodwill and other intangibles amortization.

17. Restructuring and Impairment

In January 2024, the Company implemented the 2024 Cost Savings Program, primarily in the form of restructuring charges for headcount reductions in both the Work Truck Attachments segment and corporate functions. For the three months ended March 31, 2024, $857 in pre-tax restructuring charges were recorded related to workforce reduction costs and other related expenses and are included in Cost of sales and Selling, general, and administrative expense in the Condensed Consolidated Statements of Operations and Comprehensive Loss. Such costs were substantially paid as of March 31, 2024.

In conjunction with the 2024 Cost Savings Program, impairment charges of $1,224 were recorded in the Condensed Consolidated Statements of Operations and Comprehensive Loss for the three months ended March 31, 2024 related to certain internally developed software at the Company's Work Truck Attachments segment representing the full capitalized value of the software. In addition, management evaluated its assets outside of the internally developed software described above and determined that there were no indicators of impairment.

18. Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, "Disaggregation of Income Statement Expenses," which requires disaggregated disclosure of income statement expenses into specified categories in disclosures within the footnotes to the financial statements. The standard is effective for annual periods beginning after December 15, 2026. The Company is in the process of evaluating the standard's updated disclosure requirements.

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures," which enhances disclosure around income taxes. The standard is effective for annual periods beginning after December 15, 2024. The Company is in the process of evaluating the standard’s updated disclosure requirements.

19. Changes in Accumulated Other Comprehensive Income by Component

Changes to accumulated other comprehensive income by component for the three months ended March 31, 2025 are as follows:

	Unrealized Net Gain (Loss) on Interest Rate Swap	Unrealized Net Loss on Steel Hedging Swap	Retiree Health Benefit Obligation	Total
Balance at December 31, 2024	$ 1,836	$ (40)	$ 3,676	$ 5,472
Other comprehensive gain (loss) before reclassifications	(127)	61	—	(66)
Amounts reclassified from accumulated other comprehensive income: (1)	(373)	—	(12)	(385)
Balance at March 31, 2025	$ 1,336	$ 21	$ 3,664	$ 5,021

(1) Amounts reclassified from accumulated other comprehensive income:	
Amortization of Other Postretirement Benefit items:	
Actuarial gains	$ (16)
Tax expense	4
Reclassification net of tax	$ (12)
Realized gains on interest rate swaps reclassified to interest expense	$ (504)
Tax expense	131
Reclassification net of tax	$ (373)

Changes to accumulated other comprehensive income by component for the three months ended March 31, 2024, are as follows:

	Unrealized Net Gain (Loss) on Interest Rate Swap	Retiree Health Benefit Obligation	Total
Balance at December 31, 2023	$ 3,331	$ 3,025	$ 6,356
Other comprehensive gain before reclassifications	1,335	—	1,335
Amounts reclassified from accumulated other comprehensive income (loss): (1)	(955)	(40)	(995)
Balance at March 31, 2024	$ 3,711	$ 2,985	$ 6,696

(1) Amounts reclassified from accumulated other comprehensive income (loss):	
Amortization of Other Postretirement Benefit items:	
Actuarial gains	$ (54)
Tax expense	14
Reclassification net of tax	$ (40)
Realized gains on interest rate swaps reclassified to interest expense	$ (1,290)
Tax expense	335
Reclassification net of tax	$ (955)

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes which are included in Item 1 of this Quarterly Report on Form 10-Q, as well as the information contained in our Form 10-K (Commission File No. 001-34728) filed with the Securities and Exchange Commission. Amounts presented are in thousands, unless otherwise stated.

In this Quarterly Report on Form 10-Q, unless the context indicates otherwise: "Douglas Dynamics," the "Company," "we," "our," or "us" refer to Douglas Dynamics, Inc.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains certain "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements include information relating to future events, product demand, the payment of dividends, future financial performance, strategies, expectations, competitive environment, regulation 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: (i) weather conditions, particularly lack of or reduced levels of snowfall and the timing of such snowfall, including as a result of global climate change; (ii) our ability to manage general economic, business and geopolitical conditions, including the impacts of natural disasters, labor strikes, global political instability, adverse developments affecting the banking and financial services industries, pandemics and outbreaks of contagious diseases and other adverse public health developments; (iii) increases in the price of steel or other materials, including as a result of tariffs or inflationary conditions, necessary for the production of our products that cannot be passed on to our distributors; (iv) our inability to maintain good relationships with the original equipment manufacturers ("OEM") with whom we currently do significant business; (v) the inability of our suppliers and OEM partners to meet our volume or quality requirements; (vi) increases in the price of fuel or freight, (vii) the effects of laws and regulations and their interpretations on our business and financial condition, including policy or regulatory changes related to climate change; (viii) a significant decline in economic conditions; (ix) our inability to maintain good relationships with our distributors; (x) lack of available or favorable financing options for our end-users, distributors or customers; (xi) inaccuracies in our estimates of future demand for our products; (xii) our inability to protect or continue to build our intellectual property portfolio; (xiii) our inability to develop new products or improve upon existing products in response to end-user needs; (xiv) losses due to lawsuits arising out of personal injuries associated with our products; (xv) factors that could impact the future declaration and payment of dividends or our ability to execute repurchases under our stock repurchase program; (xvi) our inability to effectively manage the use of artificial intelligence; (xvii) our inability to compete effectively against competition; (xviii) our inability to successfully implement our new enterprise resource planning system at Dejana, as well as those discussed in the sections entitled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q, if any, or in our most recent Annual Report on Form 10-K. Given these risks and uncertainties, you should not place undue reliance on these forward-looking statements. In addition, the forward-looking statements in this Quarterly Report on Form 10-Q 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.

Results of Operations

The Company’s two reportable business segments are as follows:

Work Truck Attachments. The Work Truck Attachments segment includes commercial snow and ice management attachments sold under the FISHER®, WESTERN® and SNOWEX® brands, as well as our vertically integrated products. This segment consists of our operations that manufacture and sell snow and ice control products. As described under “Seasonality and Year-To-Year Variability,” the Work Truck Attachments Segment is seasonal and, as a result, its results of operations can vary from quarter-to-quarter and from year-to-year.

Work Truck Solutions. The Work Truck Solutions segment includes manufactured municipal snow and ice control products under the HENDERSON® brand and the up-fit of market leading attachments and storage solutions under the HENDERSON® brand, and the DEJANA® brand and its related sub-brands.

In addition, segment results include an allocation of all corporate costs to Work Truck Attachments and Work Truck Solutions.

Business Update

As a result of recent market volatility, enacted or potential tariffs, supply chain disruptions, labor strikes, labor shortages, inflationary pressures (including around materials, freight, labor and benefits) and other economic trends, our results of operations may be significantly impacted in future quarters. While Douglas Dynamics is primarily a domestic manufacturer and upfitter and most of our revenue is from domestic customers, we do rely on a global supply chain to source our parts and materials. We source certain materials from China and other countries where tariffs have been enacted or proposed. We may see increased materials costs as a result of these existing or future tariffs, and we may be unable to effectively offset these tariffs with price increases, which could negatively impact our profitability in future quarters. We may have challenges in short-term liquidity that could impact our ability to fund working capital needs. We have taken various steps to preserve liquidity. In January 2024, we implemented the 2024 Cost Savings Program, which was primarily in the form of restructuring charges for salaried headcount reductions and impacted both the Work Truck Attachments segment and corporate functions. We also reduce discretionary spending where possible and defer payments where appropriate within existing contractual terms, while remaining committed to long term growth projects. As discussed in Note 7 and Note 9 to the Unaudited Condensed Consolidated Financial Statements, in the year ended December 31, 2024, we executed a sale leaseback transaction for gross proceeds of $64.2 million, and, using a portion of the proceeds, we paid down $42.0 million on our term loan. In consideration of these recent macroeconomic trends and the various actions that we have taken to preserve our liquidity, we expect that cash on hand and cash we generate from operations, as well as available credit under our senior credit facilities, will provide adequate funds for the foreseeable future.

Effective March 3, 2025, Mark Van Genderen was appointed the Company's President and Chief Executive Officer, at which time James Janik stepped down as Interim President and Chief Executive Officer.

Overview

The following table sets forth, for the three months ended March 31, 2025 and 2024, the consolidated statements of operations of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. In the table below and throughout this "Management's Discussion and Analysis of Financial Condition and Results of Operations," consolidated statements of operations data for the three months ended March 31, 2025 and 2024 have been derived from our unaudited consolidated financial statements. The information contained in the table below should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q.

	Three Months Ended	
	March 31, 2025	**March 31, 2024**
	(unaudited)	
Net sales	$ 115,067	$ 95,655
Cost of sales	86,928	76,735
Gross profit	28,139	18,920
Selling, general, and administrative expense	23,387	21,488
Impairment charges	-	1,224
Intangibles amortization	1,550	2,630
Income (loss) from operations	3,202	(6,422)
Interest expense, net	(2,384)	(3,524)
Debt modification expense	(176)	-
Loss on extinguishment of debt	(156)	-
Other income, net	4	3
Income (loss) before taxes	490	(9,943)
Income tax expense (benefit)	342	(1,591)
Net income (loss)	$ 148	$ (8,352)

The following table sets forth for the three months ended March 31, 2025 and 2024 the percentage of certain items in our Condensed Consolidated Statements of Operations and Comprehensive Loss, relative to net sales:

	Three Months Ended	
	March 31, 2025	**March 31, 2024**
	(unaudited)	
Net sales	100.0%	100.0%
Cost of sales	75.5%	80.2%
Gross profit	24.5%	19.8%
Selling, general, and administrative expense	20.3%	22.5%
Impairment charges	-%	1.3%
Intangibles amortization	1.4%	2.7%
Income (loss) from operations	2.8%	(6.7)%
Interest expense, net	(2.1)%	(3.7)%
Debt modification expense	(0.2)%	-%
Loss on extinguishment of debt	(0.1)%	-%
Other income, net	-%	-%
Income (loss) before taxes	0.4%	(10.4)%
Income tax expense (benefit)	0.3%	(1.7)%
Net income (loss)	0.1%	(8.7)%

Net Sales

Net sales were $115.1 million for the three months ended March 31, 2025 compared to $95.7 million in the three months ended March 31, 2024, an increase of $19.4 million, or 20.3%. The increase in sales for the three months ended March 31, 2025 compared to the same period in 2024 is a result of improved snowfall in our core markets leading to higher volumes in 2025, as well as strong municipal volumes. See below for a discussion of net sales for each of our segments.

	Three Months Ended March 31, 2025		Three Months Ended March 31, 2024	
Net sales				
Work Truck Attachments	$	36,457	$	23,840
Work Truck Solutions		78,610		71,815
	$	115,067	$	95,655

Net sales at our Work Truck Attachments segment were $36.5 million for the three months ended March 31, 2025 compared to $23.8 million in the three months ended March 31, 2024, an increase of $12.7 million. The increase in sales in the three months ended March 31, 2025 was due to improved snowfall in our core markets leading to higher volumes in 2025. The most recent snow season ended March 2025 was 12% below the 10-year average, but was approximately 30% better than the prior snow season, which saw snowfall 39.0% below the 10-year average.

Net sales at our Work Truck Solutions segment were $78.6 million for the three months ended March 31, 2025 compared to $71.8 million in the three months ended March 31, 2024, an increase of $6.8 million. The increase in sales for the three months ended March 31, 2025 compared to the same period in 2024 was a result of improved municipal volumes and price increase realization.

Cost of Sales

Cost of sales was $86.9 million for the three months ended March 31, 2025 compared to $76.7 million for the three months ended March 31, 2024, an increase of $10.2 million or 13.3%. The increase in cost of sales for the three months ended March 31, 2025 compared to the same period in the prior year was driven by the higher volumes. Cost of sales as a percentage of sales were 75.5% for the three months ended March 31, 2025, compared to 80.2% for the three months ended March 31, 2024. The decrease in cost of sales as a percentage of sales in the three months ended March 31, 2025 is related to the higher volumes and product mix.

Gross Profit

Gross profit was $28.1 million for the three months ended March 31, 2025 compared to $18.9 million for the three months ended March 31, 2024, an increase of $9.2 million, or 48.7%. The change in gross profit is attributable to the changes in sales as discussed above under "—Net Sales." As a percentage of net sales, gross profit increased from 19.8% for the three months ended March 31, 2024 to 24.5% for the corresponding period in 2025. The reasons for the change in gross profit as a percentage of net sales are the same as those relating to the changes in cost of sales as a percentage of sales discussed above under "—Cost of Sales."

Selling, General and Administrative Expense

Selling, general and administrative expenses, including intangibles amortization, were $24.9 million for the three months ended March 31, 2025 compared to $24.1 million for the three months ended March 31, 2024, an increase of $0.8 million, or 3.3%. The increase in the three months ended March 31, 2025 is related to higher stock-based compensation expense of $1.8 million, somewhat offset by lower intangibles amortization of $1.1 million related to an asset becoming fully amortized when compared to the prior year.

Impairment Charges

Impairment charges were $1.2 million in the three months ended March 31, 2024. The impairment charges in 2024 relate to certain internally developed software at our Work Truck Attachments segment and represent the full capitalized value of the software.

Debt Modification Expense

Debt modification expense was $0.2 million in the three months ended March 31, 2025. The debt modification expense in 2025 related to fees incurred in conjunction with the Company's March 26, 2025 refinancing of its term loan and revolving credit facilities by virtue of entering into the Credit Agreement.

Loss on Extinguishment of Debt

Loss on extinguishment of debt was $0.2 million in the three months ended March 31, 2025. The loss on extinguishment of debt in 2025 related to fees incurred in conjunction with the Company's March 26, 2025 refinancing of its term loan and revolving credit facilities by virtue of entering into the Credit Agreement.

Interest Expense

Interest expense was $2.4 million for the three months ended March 31, 2025, a decrease compared to the $3.5 million incurred in the same period in the prior year. The decrease in interest expense for the three months ended March 31, 2025 was due to lower interest on our revolver of $0.7 million due to having lower revolver borrowings during the quarter compared to the prior year, as well as lower interest on our term loan of $0.5 million.

Income Taxes

The Company's effective tax rate was 69.8% and 16.0% for the three months ended March 31, 2025 and 2024, respectively. The effective tax rate for the three months ended March 31, 2025 was impacted by discrete tax expense of $0.2 million related to excess tax from stock compensation, and due to the low pre-tax income in the period, the rate was more significantly affected. The effective tax rate for the three months ended March 31, 2024 was impacted by discrete tax expense of $0.4 million related to excess tax from stock compensation.

Net Income (Loss)

Net income (loss) for the three months ended March 31, 2025 was $0.1 million, compared to ($8.4) million for the corresponding period in 2024, an increase of $8.5 million. The change in net income (loss) for the three months ended March 31, 2025 was driven by the factors described above under "— Net Sales," "— Cost of Sales," "— Selling, General and Administrative Expense," "— Impairment Charges," "—Interest Expense," and "— Income Taxes." As a percentage of net sales, net income (loss) was 0.1% for the three months ended March 31, 2025 compared to (8.7%) for the three months ended March 31, 2024.

Discussion of Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies and estimates previously disclosed in our Form 10-K (Commission File No. 001-34728) filed with the Securities and Exchange Commission, under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operation — Critical Accounting Policies and Estimates."

Liquidity and Capital Resources

Our principal sources of cash have been, and we expect will continue to be, cash from operations and borrowings under our senior credit facilities.

Our primary uses of cash are to provide working capital, meet debt service requirements, finance capital expenditures, pay dividends under our dividend policy and support our growth, including through potential acquisitions, and for other general corporate purposes. For a description of the seasonality of our working capital rates see "—Seasonality and Year-To-Year Variability."

Our Board of Directors has adopted a dividend policy that reflects an intention to distribute to our stockholders a regular quarterly cash dividend. The declaration and payment of these dividends to holders of our common stock is at the discretion of our Board of Directors and depends upon many factors, including our financial condition and earnings, legal requirements, taxes and other factors our Board of Directors may deem to be relevant. The terms of our indebtedness may also restrict us from paying cash dividends on our common stock under certain circumstances. As a result of this dividend policy, we may not have significant cash available to meet any large unanticipated liquidity requirements. As a result, we may not retain a sufficient amount of cash to fund our operations or to finance unanticipated capital expenditures or growth opportunities, including acquisitions. Our Board of Directors may, however, amend, revoke or suspend our dividend policy at any time and for any reason.

On February 16, 2022, our Board of Directors authorized the purchase of up to $50.0 million in shares of common stock at market value**.** This authorization does not have an expiration date. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases depending on market conditions and corporate needs. We may also, from time to time, enter into Rule 10b5-1 trading plans to facilitate repurchases of our shares under this authorization. This program does not obligate us to acquire any particular amount of shares and the program may be extended, modified, suspended or discontinued at any time at our discretion.

As of March 31, 2025, we had $119.7 million of total liquidity, comprised of $7.2 million in cash and cash equivalents and $112.5 million of borrowing availability under our revolving credit facility, compared with total liquidity as of December 31, 2024 of approximately $154.6 million, comprised of approximately $5.1 million in cash and cash equivalents and borrowing availability of approximately $149.5 million under our revolving credit facility. The change in our total liquidity from December 31, 2024 is primarily due to the seasonality of our business. In addition, as discussed in Note 7 and Note 9 to the Unaudited Condensed Consolidated Financial Statements, in September 2024 we executed a sale leaseback transaction for gross proceeds of $64.2 million, and using a portion of the proceeds we paid down $42.0 million on our term loan. We have taken various steps to preserve liquidity. In January 2024, we implemented the 2024 Cost Savings Program, which was primarily in the form of restructuring charges for salaried headcount reductions and impacted both the Work Truck Attachments segment and corporate functions. We are also continuing to reduce discretionary spending where possible and deferring payments where appropriate within existing contractual terms, while remaining committed to long term growth projects. We expect that cash on hand and cash we generate from operations, as well as available credit under our senior credit facilities, will provide adequate funds for the primary uses of cash we describe above for the foreseeable future. From time to time, we may seek additional funding through the issuance of debt or equity securities to provide additional liquidity to fund acquisitions aligned with our strategic priorities and for other general corporate purposes.

The following table shows our cash and cash equivalents, net accounts receivable and inventories at March 31, 2025, December 31, 2024 and March 31, 2024.

	As of		
	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Cash and cash equivalents	$ 7,207	$ 5,119	$ 1,974
Accounts receivable, net	69,219	87,407	58,580
Inventories	171,472	137,034	174,768

We had cash and cash equivalents of $7.2 million at March 31, 2025 compared to cash and cash equivalents of $5.1 million and $2.0 million at December 31, 2024 and March 31, 2024, respectively. The table below sets forth a summary of the significant sources and uses of cash for the periods presented.

	Three Months Ended			
Cash Flows	**March 31, 2025**	**March 31, 2024**	**Change**	**% Change**
Net cash used in operating activities	$ (1,337)	$ (21,621)	$ 20,284	(93.8)%
Net cash used in investing activities	(2,161)	(1,328)	(833)	62.7%
Net cash provided by financing activities	5,586	767	4,819	628.3%
Change in cash	$ 2,088	$ (22,182)	$ 24,270	(109.4)%

Net cash used in operating activities decreased $20.3 million from the three months ended March 31, 2024 to the three months ended March 31, 2025. The decrease in cash used in operating activities was due to a $8.7 million increase in net income adjusted for reconciling items, and favorable changes in working capital and operating assets and liabilities of $11.6 million. The largest favorable change in working capital and operating assets and liabilities was a decrease in cash used in accounts payable related to the timing of supplier payments, somewhat offset by a decrease in cash provided by accounts receivable related to the timing of collections.

Net cash used in investing activities increased $0.8 million for the three months ended March 31, 2025 compared to the corresponding period in 2024 due to a higher level of capital expenditures.

Net cash provided financing activities increased $4.8 million for the three months ended March 31, 2025 as compared to the corresponding period in 2024. The increase in cash provided was related to having $12.0 million in revolver borrowings outstanding at March 31, 2025 and $0.0 million in revolver borrowings outstanding at December 31, 2024, compared to $55.0 million in revolver borrowings outstanding at March 31, 2024 and $47.0 million in revolver borrowings outstanding at December 31, 2023. In addition, payments of financing costs were $1.2 million higher in the three months ended March 31, 2025 compared to the same period in the prior year related to the debt refinancing that occurred on March 26, 2025. See Note 9 to the Unaudited Condensed Consolidated Financial Statements for additional information.

Free Cash Flow

Free cash flow for the three months ended March 31, 2025 was ($3.5) million compared to ($22.9) million in the corresponding period in 2024, an increase of $19.4 million. The increase in free cash flow for the three months ended March 31, 2025 is primarily a result of lower cash used in operating activities of $20.3 million as discussed above under “Liquidity and Capital Resources.”

Non-GAAP Financial Measures

This Quarterly Report on Form 10-Q contains financial information calculated other than in accordance with U.S. generally accepted accounting principles (“GAAP”).

These non-GAAP measures include:

- Free cash flow; and
- Adjusted EBITDA; and
- Adjusted net income (loss) and earnings (loss) per share.

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

Free cash flow is a non-GAAP financial measure which we define as net cash provided by (used in) operating activities less capital expenditures. Free cash flow should be evaluated in addition to, and not considered a substitute for, other financial measures such as net income (loss) and cash flow provided by (used in) operations. We believe that free cash flow represents our ability to generate additional cash flow from our business operations.

The following table reconciles net cash used in operating activities, a GAAP measure, to free cash flow, a non-GAAP measure.

	Three Months Ended	
	March 31, 2025	March 31, 2024
Net cash used in operating activities	$ (1,337)	$ (21,621)
Acquisition of property and equipment	(2,161)	(1,328)
Free cash flow	$ (3,498)	$ (22,949)

Adjusted EBITDA represents net income (loss) before interest, taxes, depreciation and amortization, as further adjusted for certain charges consisting of unrelated legal and consulting fees, severance, restructuring charges, impairment charges, CEO transition costs, debt modification expense, loss on extinguishment of debt, and stock-based compensation. We use, and we believe our investors benefit from the presentation of, Adjusted EBITDA in evaluating our operating performance because it provides us and our investors with additional tools to compare our operating performance on a consistent basis by removing the impact of certain items that management believes do not directly reflect our core operations. In addition, we believe that Adjusted EBITDA is useful to investors and other external users of our consolidated financial statements in evaluating our 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. Our management also uses Adjusted EBITDA for planning purposes, including the preparation of our annual operating budget and financial projections. Management also uses Adjusted EBITDA to evaluate our ability to make certain payments, including dividends, in compliance with our senior credit facilities, which is determined based on a calculation of "Consolidated Adjusted EBITDA" that is substantially similar to Adjusted EBITDA.

Adjusted EBITDA has limitations as an analytical tool. As a result, you should not consider it in isolation, or as a substitute for net income (loss), operating income (loss), cash flow provided by (used in) operating activities or any other measure of financial performance or liquidity presented in accordance with GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;

- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;

- Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness;

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;

- Other companies, including other companies in our industry, may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure; and

- Adjusted EBITDA does not reflect tax obligations whether current or deferred.

The following table presents a reconciliation of net income (loss), the most comparable GAAP financial measure, to Adjusted EBITDA as well as the resulting calculation of Adjusted EBITDA for the three months ended March 31, 2025 and 2024:

	Three Months Ended	
	March 31, 2025	March 31, 2024
Net income (loss)	$ 148	$ (8,352)
Interest expense, net	2,384	3,524
Income tax expense (benefit)	342	(1,591)
Depreciation expense	2,273	2,715
Amortization	1,550	2,630
EBITDA	6,697	(1,074)
Stock-based compensation expense	2,150	355
Impairment charges (1)	-	1,224
Debt modification expense	176	-
Loss on extinguishment of debt	156	-
Other charges (2)	252	1,029
Adjusted EBITDA	$ 9,431	$ 1,534

(1) Reflects impairment charges taken on certain internally developed software in the three months ended March 31, 2025.
(2) Reflects unrelated legal, severance, restructuring, and consulting fees for the periods presented.

The following table presents Adjusted EBITDA by segment for the three months ended March 31, 2025 and 2024.

	Three Months Ended	Three Months Ended
	March 31, 2025	March 31, 2024
Adjusted EBITDA		
Work Truck Attachments	$ 327	$ (4,468)
Work Truck Solutions	9,104	6,002
	$ 9,431	$ 1,534

Adjusted EBITDA at our Work Truck Attachments segment was $0.3 million for the three months ended March 31, 2025 compared to ($4.5) million in the three months ended March 31, 2024, an increase of $4.8 million. The change in the three months ended March 31, 2025 from the corresponding periods in 2024 was due to improved snowfall in our core markets leading to higher volumes in 2025. The most recent snow season ended March 2025 was 12% below the 10-year average, but was approximately 30% better than the prior snow season, which had snowfall 39.0% below the 10-year average.

Adjusted EBITDA at our Work Truck Solutions segment was $9.1 million for the three months ended March 31, 2025 compared to $6.0 million in the three months ended March 31, 2024, an increase of $3.1 million. The change in the three months ended March 31, 2025 was due to improved municipal volumes and price increase realization, as well as improved efficiencies.

Adjusted Net Income (Loss) and Adjusted Earnings (Loss) Per Share (calculated on a diluted basis) represents net income (loss) and earnings (loss) per share (as defined by GAAP), excluding the impact of stock-based compensation, severance, restructuring charges, impairment charges, CEO transition costs, debt modification expense, loss on extinguishment of debt, certain charges related to unrelated legal fees and consulting fees, and adjustments on derivatives not classified as hedges, net of their income tax impact. Adjustments on derivatives not classified as hedges are non-cash and are related to overall financial market conditions; therefore, management believes such costs are unrelated to our business and are not representative of our results. Management believes that Adjusted Net Income (Loss) and Adjusted Earnings (Loss) Per Share are useful in assessing the Company's financial performance by eliminating expenses and income that are not reflective of the underlying business performance. We believe that the presentation of adjusted net income (loss) for the periods presented allows investors to make meaningful comparisons of our operating performance between periods and to view our business from the same perspective as our management. Because the excluded items are not predictable or consistent, management does not consider them when evaluating our performance or when making decisions regarding allocation of resources.

The following table presents a reconciliation of net income (loss), the most comparable GAAP financial measure, to Adjusted net income (loss) as well as a reconciliation of diluted earnings (loss) per share, the most comparable GAAP financial measure, to Adjusted diluted earnings (loss) per share for the three months ended March 31, 2025 and 2024:

	Three Months Ended	
	March 31, 2025	**March 31, 2024**
Net income (loss) (GAAP)	$ 148	$ (8,352)
Adjustments:		
- Stock-based compensation	2,150	355
- Impairment charges (1)	-	1,224
- Debt modification expense	176	-
- Loss on extinguishment of debt	156	-
- Adjustments on derivative not classified as hedge (2)	-	(172)
- Other charges (3)	252	1,029
Tax effect on adjustments	(683)	(609)
Adjusted net income (loss) (non-GAAP)	$ 2,199	$ (6,525)
Weighted average common shares outstanding assuming dilution	23,121,555	23,009,369
Adjusted earnings (loss) per common share - dilutive	$ 0.09	$ (0.29)
GAAP diluted loss per share	$ (0.00)	$ (0.37)
Adjustments net of income taxes:		
- Stock-based compensation	0.07	0.02
- Impairment charges (1)	-	0.04
- Debt modification expense	-	-
- Loss on extinguishment of debt	-	-
- Adjustments on derivative not classified as hedge (2)	-	(0.01)
- Other charges (3)	0.02	0.03
Adjusted diluted earnings (loss) per share (non-GAAP)	$ 0.09	$ (0.29)

(1) Reflects impairment charges taken on certain internally developed software in the three months ended March 31, 2025.
(2) Reflects mark-to-market and amortization adjustments on an interest rate swap not classified as a hedge for the periods presented.
(3) Reflects unrelated legal, severance, restructuring, and consulting fees for the periods presented.

Future Obligations and Commitments

There have been no material changes to our future obligations and commitments in the three months ended March 31, 2025, other than those described below.

Due to material changes to contractual obligations related to long term debt resulting from the refinancing of our Term Loan Credit Agreement and Revolving Credit Agreement, as discussed in Note 9, we have updated our contractual obligations related to our long term debt and related interest.

(Dollars in thousands)	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Long-term debt (1)	$ 149,579	$ 7,500	$ 15,000	$ 127,079	$ -
Interest on long-term debt (2)	41,717	9,489	17,335	14,893	-
Total contracted cash obligations	$ 191,296	$ 16,989	$ 32,335	$ 141,972	$ -

(1) Long-term debt obligation is presented net of discount of $0.4 million at March 31, 2025.
(2) Assumes all debt will remain outstanding until maturity. Interest payments were calculated using interest rates in effect as of March 31, 2025.

Impact of Inflation

Inflation in materials and labor had a material impact on our profitability in the three months ended March 31, 2025 and 2024 and, although we are starting to see such inflationary pressures ease, we expect ongoing inflationary pressures and the impact of any tariffs enacted may also impact our profitability in the remainder of 2025. While we anticipate being able to cover this inflation by raising prices, there may be a timing difference of when we incur the increased costs and when we realize the higher prices in our backlog. In prior year as a result of inflationary pressures due to tariffs, we experienced significant increases in steel costs, but were able to mitigate the effects of these increases through both temporary and permanent steel surcharges; we expect, but cannot be certain, that we will be able to do the same going forward.

Seasonality and Year-to-Year Variability

While our Work Truck Solutions segment has limited seasonality and variability, our Work Truck Attachments segment is seasonal and also varies from year-to-year. Consequently, our results of operations and financial condition for this segment vary from quarter-to-quarter and from year-to-year as well. In addition, because of this seasonality and variability, the results of operations for our Work Truck Attachments segment and our consolidated results of operations for any quarter may not be indicative of results of operations that may be achieved for a subsequent quarter or the full year, and may not be similar to results of operations experienced in prior years. That being the case, while snowfall levels vary within a given year and from year-to-year, snowfall, and the corresponding replacement cycle of snow and ice control equipment manufactured and sold by our Work Truck Attachments segment, is relatively consistent over multi-year periods.

Sales of our Work Truck Attachments products are significantly impacted by the level, timing and location of snowfall, with sales in any given year and region most heavily influenced by snowfall levels in the prior snow season (which we consider to begin in October and end in March) in that region. This is due to the fact that end-user demand for our Work Truck Attachments products is driven primarily by the condition of their snow and ice control equipment, and in the case of professional snowplowers, by their financial ability to purchase new or replacement snow and ice control equipment, both of which are significantly affected by snowfall levels. Heavy snowfall during a given winter causes usage of our Work Truck Attachments products to increase, resulting in greater wear and tear to our products and a shortening of their life cycles, thereby creating a need for replacement commercial snow and ice control equipment and related parts and accessories. In addition, when there is a heavy snowfall in a given winter, the increased income our professional snowplowers generate from their professional snowplow activities provides them with increased purchasing power to purchase replacement commercial snow and ice control equipment prior to the following winter. To a lesser extent, sales of our Work Truck Attachments products are influenced by the timing of snowfall in a given winter. Because an early snowfall can be viewed as a sign of a heavy upcoming snow season, our end-users may respond to an early snowfall by purchasing replacement snow and ice control equipment during the current season rather than delaying purchases until after the season is over when most purchases are typically made by end-users.

We attempt to manage the seasonal impact of snowfall on our revenues in part through our pre-season sales program, which involves actively soliciting and encouraging pre-season distributor orders in the second and third quarters by offering our Work Truck Attachments distributors a combination of pricing, payment and freight incentives during this period. These pre-season sales incentives encourage our Work Truck Attachments distributors to re-stock their inventory during the second and third quarters in anticipation of the peak fourth quarter retail sales period by offering pre-season pricing and payment deferral until the fourth quarter. As a result, we tend to generate our greatest volume of sales (an average of over two-thirds over the last ten years) for the Work Truck Attachments segment during the second and third quarters, providing us with manufacturing visibility for the remainder of the year. By contrast, our revenue and operating results for the Work Truck Attachments segment tend to be lowest during the first quarter, as management believes our end-users prefer to wait until the beginning of a snow season to purchase new equipment and as our distributors sell off inventory and wait for our pre-season sales incentive period to re-stock inventory. Fourth quarter sales for the Work Truck Attachments segment vary from year-to-year as they are primarily driven by the level, timing and location of snowfall during the quarter. This is because most of our fourth quarter sales and shipments for the Work Truck Attachments segment consist of re-orders by distributors seeking to restock inventory to meet immediate customer needs caused by snowfall during the winter months.

Because of the seasonality of our sales of Work Truck Attachments products, we experience seasonality in our working capital needs as well. In the first quarter, we typically require capital as we are generally required to build our inventory for the Work Truck Attachments segment in anticipation of our second and third quarter pre-season sales. During the second and third quarters, our working capital requirements rise as our accounts receivable for the Work Truck Attachments segment increase as a result of the sale and shipment of products ordered through our pre-season sales program, and as we continue to build inventory. Working capital requirements peak towards the end of the third quarter and then begin to decline through the fourth quarter through a reduction in accounts receivable for the Work Truck Attachments segment when we receive the majority of the payments for pre-season shipped products.

We also attempt to manage the impact of seasonality and year-to-year variability on our business costs through the effective management of our assets. Our asset management and profit focus strategies include:

- the employment of a highly variable cost structure facilitated by a core group of workers that we supplement with a temporary workforce as sales volumes dictate, which allows us to adjust costs on an as-needed basis in response to changing demand;
- our enterprise-wide lean concept, which allows us to adjust production levels up or down to meet demand;
- the pre-season order program described above, which incentivizes distributors to place orders prior to the retail selling season; and
- a vertically integrated business model.

These asset management and profit focus strategies, among other management tools, allow us to adjust fixed overhead and selling, general and administrative expenditures to account for the year-to-year variability of our sales volumes.

Additionally, although our annual capital expenditures are modest, they can be temporarily reduced by up to approximately 40% in response to actual or anticipated decreases in sales volumes. If we are unsuccessful in our asset management initiatives, the seasonality and year-to-year variability effects on our business may be compounded and in turn our results of operations and financial condition may suffer.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

We do not use financial instruments for speculative trading purposes, and do not hold any derivative financial instruments that could expose us to significant market risk. Other than the broad effects of recent macro-economic trends and their negative impact on the global economy and major financial markets, our primary market risk exposures are changes in interest rates and steel price fluctuations.

Interest Rate Risk

We are exposed to market risk primarily from changes in interest rates. Our borrowings, including our term loan and any revolving borrowings under our senior credit facilities, are at variable rates of interest and expose us to interest rate risk. A portion of our interest rate risk associated with our term loan is mitigated through interest rate swaps. In addition, the interest rate on any revolving borrowings is subject to an increase in the interest rate based on our average daily availability under our revolving credit facility.

As of March 31, 2025, we had outstanding borrowings under our term loan of $149.6 million. A hypothetical interest rate change of 1%, 1.5% and 2% on our term loan would have changed interest incurred for the three months ended March 31, 2025 by $0.0 million, $0.1 million, and $0.1 million, respectively.

The Company is party to interest rate swap agreements to reduce its exposure to interest rate volatility. On June 9, 2021, in conjunction with entering into the Original Credit Agreement described above, the Company re-designated its swap. As a result, the swap will be recorded at fair value with changes recorded in Accumulated other comprehensive income (loss). The amortization from Accumulated other comprehensive income (loss) into earnings from the previous dedesignation has been adjusted as of June 9, 2021 to include the de-recognition of previously recognized mark-to-market gains and the amortization of the off-market component as of the re-designation date, and will continue to be recognized through the life of the swap. On May 19, 2022, the Company entered into an interest rate swap agreement to further reduce its exposure to interest rate volatility. The interest rate swap has a notional amount of $125,000 effective for the period May 31, 2024 through June 9, 2026. The Company may have counterparty credit risk resulting from the interest rate swap, which it monitors on an on-going basis. The risk lies with two global financial institutions. Under the interest rate swap agreement, the Company will either receive or make payments on a monthly basis based on the differential between 2.718% and SOFR. The interest rate swap is accounted for as a cash flow hedge. See Note 9 to the Unaudited Condensed Consolidated Financial Statements for additional details on our interest rate swap agreements.

As of March 31, 2025, we had $12.0 million in outstanding borrowings under our revolving credit facility. A hypothetical interest rate change of 1%, 1.5% and 2% on our revolving credit facility would have changed interest incurred for the three months ended March 31, 2025 by $0.0 million, $0.0 million, and $0.0 million, respectively.

Commodity Price Risk

In the normal course of business, we are exposed to market risk related to our purchase of steel, the primary commodity upon which our manufacturing depends. Our steel purchases as a percentage of revenue were 8.5% for the three months ended March 31, 2025 compared to 12.5% for the three months ended March 31, 2024. While steel is typically available from numerous suppliers, the price of steel is a commodity subject to fluctuations that apply across broad spectrums of the steel market. If the price of steel increases, including as a result of tariffs, our variable costs could also increase. While historically we have successfully mitigated these increased costs through the implementation of either permanent price increases and/or temporary invoice surcharges, there may be timing differences between when we realize the price increases and incur the increased costs, and in the future we may not be able to successfully mitigate these costs, which could cause our gross margins to decline. If our costs for steel were to increase by $1.00 in a period where we are not able to pass any of this increase onto our distributors, our gross margins would decline by $1.00 in the period in which such inventory was sold.

On December 17, 2024, we entered into a steel hedging agreement to reduce our exposure to commodity price swings. The steel hedging instrument has a notional quantity of 3,000 short tons and is effective for the period August 1, 2025 through December 31, 2025, which we expect to be slightly less than half of our exposure during the effective period. Under the steel hedge agreement, we will make fixed payments of $819 per short ton for the Steel Hot Rolled Coil (HRC) commodity. The steel hedging instrument is accounted for as a cash flow hedge. The steel hedging instrument's fair value at March 31, 2025 and December 31, 2024 was positive $0.0 million and negative $0.1 million, respectively, which is included in Prepaid and other current assets and Accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheet, respectively.

Item 4. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of the end of the period covered by this Quarterly Report our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that the information required to be disclosed by us in such reports is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

During the quarter ended March 31, 2025, we completed an ERP implementation at our Dejana Truck & Utility Equipment Company, LLC subsidiary. As a result of the implementation, we have implemented or expect to implement certain changes to our processes and procedures, which, in turn, will result in changes to our internal control over financial reporting. While we expect this implementation to either strengthen or have minimal impact to our existing internal controls, we will continue to evaluate and monitor our internal control over financial reporting as processes and procedures are finalized with the implementation.

With the exception of the implementation of the ERP system described above, there have been no changes in the Company's internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

In the ordinary course of business, we are engaged in various litigation matters primarily including product liability and intellectual property disputes. However, management does not believe that any current litigation is material to our operations or financial position. In addition, we are not currently party to any environmental-related claims or legal matters.

Item 1A. ***Risk Factors***

There have been no significant changes in our risk factors from those described in our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Unregistered Sales of Equity Securities

During the three months ended March 31, 2025, we did not sell any securities that were not registered under the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities

In March 2025, the Company withheld approximately 6,259 shares of the Company's common stock to satisfy minimum tax withholding obligations that arose upon vesting of restricted stock granted pursuant to the Company's stockholder-approved equity incentive plan.

On February 16, 2022, our Board of Directors authorized the purchase of up to $50.0 million in shares of common stock at market value (the "2022 repurchase plan"). This authorization does not have an expiration date. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases depending on market conditions and corporate needs. We may also, from time to time, enter into Rule 10b5-1 trading plans to facilitate repurchases of its shares under this authorization. This program does not obligate us to acquire any particular amount of shares and the program may be extended, modified, suspended or discontinued at any time at the Company's discretion. Shares repurchased under the 2022 repurchase plan are retired.

Total share repurchases under the 2022 repurchase plan for the three months ended March 31, 2025 are as follows:

Period	Total number of shares purchased	Average price paid per share	Number of shares purchased as part of the publicly announced program	Approximate dollar value of shares still available to be purchased under the program (000's)
1/1/2025 - 1/31/2025	-	$ -	-	$ 44,000
2/1/2025 - 2/28/2025	-	-	-	44,000
3/1/2025 - 3/31/2025	-	-	-	44,000
Total	-	$ -	-	$ 44,000

Dividend Payment Restrictions

Our senior credit facilities include certain restrictions on our ability to pay dividends. The senior credit facilities also restrict our subsidiaries from paying dividends and otherwise transferring assets to Douglas Dynamics, Inc. For additional detail regarding these restrictions, see Note 9 to the Unaudited Condensed Consolidated Financial Statements.

Item 3. ***Defaults Upon Senior Securities***

None.

Item 4. ***Mine Safety Disclosures***

None.

Item 5. ***Other Information***

Rule 10b5-1 Trading Plans

During the three months ended March 31, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement," or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. *Exhibits*

The following documents are filed as Exhibits to this Quarterly Report on Form 10-Q:

Exhibit Numbers	Description
10.1*#	Employment Agreement, effective February 28, 2025, among Douglas Dynamics, Inc., Douglas Dynamics, L.L.C. and Chris Bernauer.
10.2#	Amended and Restated Employment Agreement, effective March 3, 2025, among Douglas Dynamics, Inc., Douglas Dynamics, L.L.C. and Mark Van Genderen [Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed March 3, 2025 (File No. 001-34728)].
10.3#	Amended and Restated Credit Agreement, dated as of March 26, 2025, among Douglas Dynamics, L.L.C., Fisher, LLC, Trynex International LLC, Henderson Enterprises Group, Inc., Henderson Products, Inc., and Dejana Truck & Utility Equipment Company, LLC, Douglas Dynamics, Inc., the banks and financial institutions listed therein, as lenders, JPMorgan Chase Bank, N.A., as administrative agent, J.P. Morgan Chase Bank, N.A. and CIBC Bank USA, as joint lead arrangers and joint bookrunners, CIBC Bank USA, as syndication agent, and Bank of America, N.A. and BMO Harris Bank, N.A., as co-documentation agents [Incorporated by reference to Exhibit 10.1 to Douglas Dynamics, Inc.'s Current Report on Form 8-K filed March 28, 2025 (File No. 001-34728)].
31.1*	Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Company's Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following financial statements from the quarterly report on Form 10-Q of Douglas Dynamics, Inc. for the quarter ended March 31, 2025, filed on May 6, 2025, formatted in inline XBRL: (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations and Comprehensive Loss; (iii) the Consolidated Statements of Cash Flows; (iv) the Consolidated Statements of Shareholders' Equity; and (v) the Notes to the Consolidated Financial Statements.
104*	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

A management contract of compensatory plan or arrangement.
* Filed herewith.

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, thereunto duly authorized.

DOUGLAS DYNAMICS, INC.

By: /s/ SARAH LAUBER
Sarah Lauber
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Authorized Signatory)

Dated: May 6, 2025

Exhibit 10.1

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is effective February 28, 2025 (the "**Effective Date**") by and between Chris Bernauer, an individual ("**Executive**"), Douglas Dynamics, L.L.C., a Delaware limited liability company (the "**Company**"), and Douglas Dynamics, Inc., a Delaware corporation and the parent entity of the Company ("**Douglas**").

1. Employment by the Company.

a. Full Time and Best Efforts. Subject to the terms set forth herein, the Company and Douglas, respectively, agree to employ Executive as their President of Work Truck Attachments and in such other executive capacities as may be requested from time to time by the Company, and Executive hereby accepts such employment. Executive shall render such other services for each of the Company and corporations that control, are controlled by or are under common control with the Company, as the case may be, and to successor entities and assignees of the Company, as the case may be (the "**Affiliates**") as the Company may from time to time reasonably request and shall be consistent with the duties Executive is to perform for the Company and its Affiliates and with Executive's experience. During the term of his employment with the Company and its Affiliates, Executive will devote his full business time and use his best efforts to advance the business and welfare of the Company and its Affiliates, and will not engage in any other employment or business activities for any direct or indirect remuneration that would be directly harmful or detrimental to, or that may compete with, the business and affairs of the Company or its Affiliates, or that would interfere with his duties hereunder.

b. Duties. Executive shall serve in an executive capacity and shall perform such duties as are customarily associated with his position, consistent with the Bylaws of the Company and its Affiliates, as the case may be, and as reasonably required by the Company.

c. Company Policies. The employment relationship between the parties shall be governed by the general employment policies and practices of the Company and its Affiliates, including but not limited to those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

2. Compensation and Benefits.

a. Sign-on Bonus and Equity Award. Executive shall receive a $34,000 sign-on bonus payable in cash, which bonus will be payable, less requisite withholdings for tax and social security purposes, at the Company's next regular payroll date following the Effective Date. If, during the twenty-four (24) months following the Effective Date, (i) Executive terminates his employment with the Company other than pursuant to Section 5(b)(i), or (ii) Executive's employment is terminated by the Company for Cause (as defined in this Agreement), then he will be required to repay to the Company a portion of the sign-on bonus in an amount equal to (x) $6,250 multiplied by (y) the difference between twenty-four (24) and the number of full months worked prior to the employment termination date. Executive shall repay the Company this amount within two (2) weeks following his employment termination date. Executive also shall receive a sign-on grant of restricted stock units pursuant to Douglas's 2024 Stock Incentive Plan (or any successor plan thereto) with a grant date fair value of $50,000 on the Effective Date. Such units shall vest ratably on each of the first three anniversaries of the Effective Date, subject to Executive's continued employment through the applicable vesting date, and shall otherwise be subject to the standard terms and conditions for restricted stock units reflected in the form of grant notice previously approved for such awards under such plan.

b. Base Salary. Executive shall receive for services to be rendered hereunder a salary at the rate of $400,000 per year, payable in approximately equal installments in accordance with the Company's regular payroll and subject to payroll deductions as may be necessary or customary in respect of the Company's salaried employees (the "**Base Salary**"). The Base Salary will be reviewed by and shall be subject to increase (but not decrease) at the sole discretion of the Company each year during the term of this Agreement.

c. Participation in Benefit Plans; Vacation. During the term hereof, Executive shall be entitled to participate in any group insurance, hospitalization, medical, dental, health, accident, disability, 401(k) retirement savings plan or similar plan or program of the Company or its Affiliates now existing or established hereafter to the extent that he is eligible under the general provisions thereof. The Company or its Affiliates may, in its sole discretion and from time to time, amend, eliminate or establish additional benefit programs as it deems appropriate. Executive shall also participate in all fringe benefits, including without limitation annual vacation time, offered by the Company to any of its executives at such Executive's level. Notwithstanding anything otherwise provided under this Agreement, nothing contained herein shall obligate the Company or its Affiliates to continue or maintain any particular benefit plan or program on an ongoing basis.

3. Bonus.

a. Annual Incentive Plan. Executive shall be eligible to participate in Douglas's Annual Incentive Plan, through which the Company awards performance-based cash bonuses on an annual calendar year basis provided the Company or its Affiliate, as applicable, achieves performance targets established by the Company's management and as may be approved by the Compensation Committee of the Company's or Douglas' Board of Directors (the "**Board**") for such calendar year. Executive shall be eligible to participate at a target bonus level as determined by the Company or Douglas from time to time, which shall be no less than 75% of his Base Salary. Executive's participation in such plan shall be governed by the terms and conditions of the plan as then in effect.

b. If Executive resigns before the last day of a calendar year (other than for a Material Breach (as hereinafter defined)) or is discharged by the Company for Cause (as hereinafter defined) before the last day of such calendar year, Executive will not be entitled to receive a performance-based bonus pursuant to Section 3(a) for such calendar year. If Executive's employment terminates prior to the last day of a calendar year for any other reason, Executive shall be entitled to receive a pro rata part of the performance-based bonus for such calendar year pursuant to Section 3(a) only if the Company or Douglas, in its sole and absolute discretion, elects to pay a pro rata part of the performance-based bonus to Executive.

c. Stock Incentive Plan. Executive shall be eligible to participate in Douglas's 2024 Stock Incentive Plan (or any successor plan thereto), through which the Company grants equity awards to its key employees, pursuant to the separate terms and conditions of such plan, at a target level, as determined by the Board or the Compensation Committee of the Board. Executive shall be eligible to participate in the plan at a target level of 50% of his Base Salary. Any grants made to Executive under Douglas's 2024 Stock Incentive Plan (or any successor plan thereto) shall be subject to the terms and conditions of such plan and any applicable award agreements.

4. Reasonable Business Expenses and Support. Executive shall be reimbursed for documented and reasonable business expenses in connection with the performance of his duties hereunder, including appropriate professional fees and dues, in accordance with the Company's policies as in effect from time to time. Executive shall be furnished reasonable office space, assistance, including an administrative assistant and facilities.

5. Termination of Employment. The date on which Executive's employment by the Company ceases, under any of the following circumstances, shall be defined herein as the "**Termination Date**."

a. Termination for Cause.

i. Termination; Payment of Accrued Salary and Vacation. The Company may terminate Executive's employment at any time for Cause, immediately upon notice to Executive of the circumstances leading to such termination for Cause. In the event that Executive's employment is terminated for Cause, Executive shall receive payment for all accrued salary and vacation time through the Termination Date, less requisite withholdings for tax and social security purposes, which in this event shall be the date upon which notice of termination is given. The Company and its Affiliates shall have no further obligation to pay severance of any kind whether under this Agreement or otherwise.

ii. Definition of Cause. "**Cause**" means the occurrence or existence of any of the following with respect to Executive, as determined in good faith by the Company: (a) a material breach by Executive of any of his material obligations hereunder which remains uncured after the lapse of thirty (30) days following the date that the Company has given Executive written notice thereof; (b) a material breach by Executive of his duty not to engage in any transaction that represents, directly or indirectly, self-dealing with the Company or any of its Affiliates which has not been approved by the Company, if in any such case such material breach remains uncured after the lapse of thirty (30) days following the date that the Company has given Executive written notice thereof; (c) the repeated material breach by Executive of any material duty referred to in clause (a) or (b) above as to which at least two (2) written notices have been given pursuant to such clause (a) or (b); (d) any act of misappropriation, embezzlement, intentional fraud or similar conduct involving the Company or any of its Affiliates; (e) the conviction or the plea of *nolo contendere* or the equivalent in respect of a felony involving moral turpitude; (f) intentional infliction of any damage of a material nature to any property of the Company or any of its Affiliates; or (g) the repeated non- prescription abuse of any controlled substance or the repeated abuse of alcohol or any other non-controlled substance which, in any case described in this clause, the Company reasonably determines renders Executive unfit to serve in his capacity as an officer or employee of the Company or its Affiliates.

b. Termination by Executive.

i. Termination Following Material Breach or for Good Reason.

(1) Executive shall have the right, at his election, other than during a Change of Control Protected Period (as hereinafter defined), to terminate his employment with the Company and its Affiliates, as applicable, by written notice to the Company to that effect if (A) the Company shall have failed to perform a material condition or covenant of this Agreement ("**Material Breach**"); *provided*, *however*, that termination for Material Breach will not be effective until Executive shall have given written notice specifying the claimed breach and, provided such breach is curable, the Company fails to correct the claimed breach within thirty (30) days after the receipt of the applicable notice (but within ten (10) days if the failure to perform is a failure to pay monies when due under the terms of this Agreement), or (B) the Company repeatedly commits a Material Breach as to which at least two (2) written notices have been given pursuant to this Section 5(b)(i)(1). If Executive terminates his employment with the Company and its Affiliates pursuant to this Section 5(b)(i)(1), then Executive shall be entitled to receive the benefits provided in Section 5(d)(i)(1) hereof.

(2) During a Change of Control Protected Period, Executive may terminate his employment with the Company and its Affiliates, for Good Reason (as hereinafter defined). If Executive terminates his employment with the Company and its Affiliates pursuant to this Section 5(b)(i)(2), then Executive shall be entitled to receive the benefits provided in Section 5(d)(i)(2) hereof.

ii. Executive shall have the right, at his election, to terminate his employment with the Company and its Affiliates for reason other than those set forth in Section 5(b)(i) by sixty (60) days' prior written notice to that effect. In the event of termination by Executive pursuant to this Section 5(b)(ii), the Company and its Affiliates shall have no termination payment requirements except that Executive shall receive the accrued portion of any salary and vacation hereunder through the Termination Date, less requisite withholdings for tax and social security purposes.

iii. Definitions of Change of Control, Change of Control Protected Period and Good Reason. For purposes of this Agreement:

(1) "**Change of Control**" means the occurrence of one or more of the following, whether accomplished directly or indirectly, or in one or a series of related transactions: (a) Any person becomes the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) ("**Beneficial Owner**," and such beneficial ownership, "**Beneficial Ownership**"), directly or indirectly, of voting securities of Douglas representing 50% or more of the combined voting power of Douglas's then outstanding voting securities; (b) During any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Douglas and any new director (other than a director whose initial assumption of office occurs as a result of either an actual or threatened election contest or other actual or threatened tender offer, solicitation of proxies or consents by or on behalf of a person other than the Board of Douglas) whose appointment, election, or nomination for election was approved by a vote of a majority of the directors then still in office who either were directors at the beginning of the period or whose appointment, election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board of Douglas; (c) A reorganization, merger, consolidation, recapitalization, tender offer, exchange offer or other extraordinary transaction involving the Company (a "**Fundamental Transaction**") becomes effective or is consummated, unless at least 50% of the outstanding voting securities of the surviving or resulting entity (including, without limitation, an entity which as a result of such transaction owns Douglas or all or substantially all of Douglas's assets either directly or through one or more subsidiaries) are, or are to be, Beneficially Owned, directly or indirectly, by all or substantially all of the persons who were the Beneficial Owners of the outstanding voting securities of Douglas immediately prior to such Fundamental Transaction in substantially the same proportions as their Beneficial Ownership, immediately prior to such Fundamental Transaction, of the outstanding voting securities of Douglas; or (d) A sale, transfer or any other disposition (including, without limitation, by way of spin-off, distribution, complete liquidation or dissolution) of all or substantially all of Douglas's business and/or assets to an unrelated third party is consummated. Notwithstanding the foregoing, a Change of Control shall not occur unless such transaction constitutes a change in the ownership of Douglas, a change in effective control of Douglas, or a change in the ownership of a substantial portion of Douglas' assets under Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**").

(2) "**Change of Control Protected Period**" shall mean the twenty-four (24) month period immediately following a Change of Control.

(3) Executive's termination of employment shall be deemed for "**Good Reason**" if Executive terminates employment within sixty (60) days following the initial occurrence of (a) a material reduction in Executive's Base Salary or target bonus opportunity; (b) a material adverse change in Executive's responsibilities; or (c) a required relocation of Executive's principal place of employment by more than thirty-five (35) miles from its location as in effect immediately prior to the Change of Control; provided, that Executive shall have provided written notice to the Company of his intention to resign for Good Reason and the grounds therefor within thirty (30) days following the initial occurrence of the event constituting Good Reason, the Company shall have failed to cure such event within thirty (30) days of receiving such notice.

c. Termination Upon Disability. The Company may terminate Executive's employment in the event Executive suffers a disability that renders Executive unable to perform the essential functions of his position, even with reasonable accommodation, for sixty (60) consecutive days or for ninety (90) days within any one hundred eighty (180) day period. After the Termination Date, which in this event shall be the date upon which notice of termination is given, no further compensation will be payable under this Agreement except that Executive shall receive the accrued portion of any salary and vacation hereunder through the Termination Date, less requisite withholdings for tax and social security purposes.

d. Termination by the Company Without Cause; Termination by Executive Pursuant to Section 5(b)(i). The Company may terminate Executive's employment at any time for other than Cause or disability, pursuant to the following termination payment requirements and upon not less than sixty (60) days' prior written notice to that effect.

i. Termination Payments.

(1) In the event that Executive's employment is terminated by the Company without Cause or by Executive pursuant to Section 5(b)(i)(1),other than during a Change of Control Protected Period, and subject to Executive's execution of a release as described in Section 5(d)(ii), the Company shall pay Executive as severance an amount equal to the sum of twelve (12) months of his Base Salary at the annual rate then in effect plus Executive's target annual bonus for the year of such termination (or, if Executive has not been awarded a target annual bonus for such year, Executive's target annual bonus for the prior year). Such remuneration shall be paid, less requisite withholdings for tax and social security purposes, over twelve (12) months in monthly pro rata payments commencing within thirty (30) days following Executive's execution of the release (subject to any timing requirements set forth in Section 5(d)(ii)). Executive shall also receive the accrued portion of any salary and vacation hereunder through the Termination Date, less requisite withholdings for tax and social security purposes, paid promptly after such Termination Date in conformity with applicable law.

(2) In the event that Executive's employment is terminated by the Company without Cause or by Executive for Good Reason pursuant to Section 5(b)(i)(2) hereof during a Change of Control Protected Period, and subject to Executive's execution of a release as described in Section 5(d)(ii), the Company shall pay Executive as severance an amount equal to the sum of twelve (12) months of his Base Salary at the annual rate then in effect (or, if higher, the Base Salary as in effect prior to the Change of Control) plus Executive's target annual bonus for the year of such termination (or, if Executive has not been awarded a target annual bonus for such year or Executive's target annual bonus for the year is lower than Executive's target annual bonus as in effect immediately prior to the Change of Control, the target annual bonus as in effect immediately prior to the Change of Control). Such remuneration shall be paid, less requisite withholdings for tax and social security purposes, subject to any required delay pursuant to Section 9(b), in a lump sum cash payment within sixty (60) days after such Termination Date (subject to any timing requirements set forth in Section 5(d)(ii)). Executive shall also receive the accrued portion of any salary and vacation hereunder through the Termination Date, less requisite withholdings for tax and social security purposes, paid promptly after such Termination Date in conformity with applicable law.

ii. Executive shall not be entitled to any of the payments described under this Section 5(d) unless and until Executive timely executes a release of claims in favor of the Company, Douglas, their affiliates and their officers and directors on a form provided to Executive by the Company and such release becomes effective (and irrevocable) no later than sixty (60) days following the Termination Date (the "**Release Execution Period**"). In the event the Release Execution Period begins in one taxable year and ends in another taxable year, any payments due pursuant to this Section 5(d) shall not begin until the second taxable year (and, in such event, the first installment payment shall include any amounts due hereunder that would have otherwise been paid to Executive during the Release Execution Period if the delay described in this Section 5(d)(ii) had not occurred).

iii. The Company shall not be obligated to pay any termination payments under Section 5(d)(i) above if Executive breaches in any material way the provisions of the Confidentiality Agreement (as defined below).

e. Benefits Upon Termination. All health and welfare benefits provided under Section 2(b) shall be extended, at Executive's timely and proper election and cost (such cost to Executive to be in the same amount as the cost for providing such benefits to existing employees), to the extent permitted by the Company's insurance policies and benefit plans, for twelve (12) months after Executive's Termination Date, except (i) as required by law (e.g., COBRA health insurance continuation election) or (ii) in the event of a termination described in Section 5(a) or 5(f).

f. Termination Upon Death. If Executive dies while actively employed by the Company during the course of this Agreement, the Company shall (i) continue coverage of Executive's dependents (if any) under all health and welfare benefit plans or programs of the type listed above in Section 2(b) herein in which such dependent was enrolled (and subject to dependents timely and proper election of any continuation benefits, as required under such plan and to the extent permitted by the Company's insurance policies and benefit plans) for a period of six (6) months and (ii) pay to Executive's estate the accrued portion of any salary and vacation through the Termination Date, less requisite withholdings for tax and social security purposes.

g. Termination Upon Retirement. Executive shall provide notice to the Company of his retirement not less than one hundred twenty (120) days prior to the effective date of Executive's retirement as set forth in such notice (the "**Retirement Notice**"). The Termination Date shall be the effective date of Executive's retirement as set forth in the Retirement Notice. After the Termination Date, no further compensation will be payable under this Agreement except that Executive shall receive the accrued portion of any salary and vacation hereunder through the Termination Date, less requisite withholdings for tax and social security purposes.

h. Duty to Mitigate; Termination of Severance Benefits. Executive agrees that upon any termination pursuant to either of Section 5(b) or 5(d) hereof, Executive shall have a duty to mitigate his damages hereunder. The Company and Executive further agree that if, at any time following such a termination but prior to the expiration of the period during which monthly severance benefits are to be paid by the Company with respect to such termination, Executive secures employment, such monthly severance benefits shall not be reduced by the amount of monthly compensation Executive is to receive from such new employment as long as Executive does not breach in any material way the provisions of the Confidentiality Agreement; *provided*, *however*, that if Executive breaches in any material way the provisions of the Confidentiality Agreement, the Company shall not be obligated to pay any such severance benefits in accordance with Section 5(d)(ii) above.

6. Confidentiality and Noncompetition Agreement. Executive and the Company hereby acknowledge that Executive and the Company have previously entered into a separate Confidentiality and Noncompetition Agreement governing matters related to confidential information, noncompetition, nonsolicitation of employees and assignment of inventions, among others, in connection with Executive's employment with the Company (the "**Confidentiality Agreement**"). Executive and the Company hereby ratify the terms of the Confidentiality Agreement and hereby agree that, notwithstanding the execution of this Agreement or the provisions of Section 7(c), the Confidentiality Agreement shall remain in full force and effect in accordance with the terms and conditions set forth therein.

7. Miscellaneous.

a. Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of two days following personal delivery (including personal delivery by telecopy or telex), or the fourth day after mailing by reputable overnight courier or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To the Company:

Douglas Dynamics, L.L.C.
11270 W. Park Place
Suite 300
Milwaukee, Wisconsin 53224
Attention: Chief Executive Officer
Facsimile: (414) 354-5939

With a copy to:

Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202
Attention: Bryan Schultz
Facsimile: (414) 297-4900

To Executive:

Chris Bernauer

or to such other address or to the attention of such other person as the recipient party will have specified by prior written notice to the sending party.

b. Severability. Any provision of this Agreement which is deemed invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction and subject to this paragraph be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provisions of this Agreement invalid, illegal, or unenforceable in any other jurisdiction. If any covenant should be deemed invalid, illegal or unenforceable because its scope is considered excessive, such covenant shall be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal and enforceable.

c. Entire Agreement. This document, together with the Confidentiality Agreement, constitutes the final, complete, and exclusive embodiment of the entire agreement and understanding between the parties related to the subject matter hereof and supersedes and preempts any prior or contemporaneous understandings, agreements, or representations by or between the parties, written or oral.

d. Counterparts. This Agreement may be executed on separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same agreement.

e. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company and its Affiliates, and their respective successors and assigns, except that Executive may not assign any of his duties hereunder and he may not assign any of his rights hereunder without the prior written consent of the Company.

f. Amendments. No amendments or other modifications to this Agreement may be made except by a writing signed by all parties. No amendment or waiver of this Agreement requires the consent of any individual, partnership, corporation or other entity not a party to this Agreement. Nothing in this Agreement, express or implied, is intended to confer upon any third person any rights or remedies under or by reason of this Agreement.

g. Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the laws of the State of Delaware without giving effect to principles of conflicts of law.

h. Survivorship. The provisions of this Agreement necessary to carry out the intention of the parties as expressed herein shall survive the termination or expiration of this Agreement.

i. Waiver. Except as provided herein, the waiver by either party of the other party's prompt and complete performance, or breach or violation, of any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation, and the failure by any party hereto to exercise any right or remedy which it may possess hereunder shall not operate nor be construed as a bar to the exercise of such right or remedy by such party upon the occurrence of any subsequent breach or violation.

j. Captions. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision hereof.

k. Construction. The parties acknowledge that this Agreement is the result of arm's-length negotiations between sophisticated parties each afforded representation by legal counsel. Each and every provision of this Agreement shall be construed as though both parties participated equally in the drafting of the same, and any rule of construction that a document shall be construed against the drafting party shall not be applicable to this Agreement.

8. Arbitration.

a. Any disputes or claims arising out of or concerning Executive's employment or termination by the Company, whether arising under theories of liability or damages based upon contract, tort or statute, shall be determined exclusively by arbitration before a single arbitrator in accordance with the employment arbitration rules of the American Arbitration Association ("**AAA**"), except as modified by this Agreement. The arbitrator's decision shall be final and binding on all parties. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction. In recognition of the fact that resolution of any disputes or claims in the courts is rarely timely or cost effective for either party, the Company and Executive enter this mutual agreement to arbitrate in order to gain the benefits of a speedy, impartial and cost-effective dispute resolution procedure.

b. Any arbitration shall be held in Executive's place of employment with the Company. The arbitrator shall be an attorney with substantial experience in employment matters, selected by the parties alternately striking names from a list of five such persons provided by the AAA office located nearest to the place of employment, following a request by the party seeking arbitration for a list of five such attorneys with substantial professional experience in employment matters. If either party fails to strike names from the list, the arbitrator shall be selected from the list by the other party.

c. Each party shall have the right to take the depositions of a maximum of three individuals, as deemed appropriate by such party. Each party shall also have the right to propound requests for production of documents to any party and the right to subpoena documents and witnesses for the arbitration. Additional discovery may be made only where the arbitrator selected so orders upon a showing of substantial need. The arbitrator shall have the authority to entertain a motion to dismiss and/or a motion for summary judgment by any party and shall apply the standards governing such motions under the Federal Rules of Civil Procedure.

d. The Company and Executive agree that they will attempt, and they intend that they and the arbitrator should use their best efforts in that attempt, to conclude the arbitration proceeding and have a final decision from the arbitrator within one hundred twenty (120) days from the date of selection of the arbitrator; *provided*, *however*, that the arbitrator shall be entitled to extend such one hundred twenty (120)-day period for a total of two one hundred twenty (120) day periods. The arbitrator shall immediately deliver a written award with respect to the dispute to each of the parties, who shall promptly act in accordance therewith.

e. The Company shall pay the fees and expenses of the arbitrator. Each party shall pay its own attorney fees and costs including, without limitation, fees and costs of any experts. However, attorney fees and costs incurred by the party that prevails in any such arbitration commenced pursuant to this Section 8 or any judicial action or proceeding seeking to enforce the agreement to arbitrate disputes as set forth in this Section 8 or seeking to enforce any order or award of any arbitration commenced pursuant to this Section 8 may be assessed against the party or parties that do not prevail in such arbitration in such manner as the arbitrator or the court in such judicial action, as the case may be, may determine to be appropriate under the circumstances. Any controversy over whether a dispute is an arbitrable dispute or as to the interpretation or enforceability of this paragraph with respect to such arbitration shall be determined by the arbitrator.

f. In a contractual claim under this Agreement, the arbitrator shall have no authority to add, delete or modify any term of this Agreement.

g. In the event that more than one dispute is submitted to arbitration by the Company or Executive pursuant to any agreement between the Company or its Affiliates and Executive, including under this Agreement, and one or more additional agreements to which the Company or its Affiliates and Executive are parties, all such matters shall be consolidated into a single arbitration proceeding so as to avoid, to the extent possible, more than one simultaneous arbitration proceeding between the Company or its Affiliates and Executive.

9. 409A Compliance.

a. The parties agree that this Agreement is intended to comply with the requirements of Section 409A of the Code and the regulations and guidance promulgated thereunder ("**Section 409A**") or an exemption from Section 409A. The Company shall undertake to administer, interpret, and construe this Agreement in a manner that does not result in the imposition on Executive of any additional tax, penalty, or interest under Section 409A, *provided*, *however*, that Executive understands and agrees that the Company shall not be held liable or responsible for any taxes, penalties, interests or other expenses incurred by Executive on account of non-compliance with Section 409A.

b. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Agreement, if Executive is deemed on the date of termination to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code, then with regard to any payment or the provision of any benefit that is considered deferred compensation under Section 409A payable on account of a "separation from service," and that is not exempt from Section 409A as involuntary separation pay or a short-term deferral (or otherwise), such payment or benefit shall be made or provided at the date which is the earlier of (i) the expiration of the six (6)-month period measured from the date of such "separation from service" of Executive or (ii) the date of Executive's death (the "**Delay Period**"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Subsection 9(b) (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump sum without interest, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein. For purposes of Section 409A, Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment.

c. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Section 409A, all such payments shall be made on or before the last day of calendar year following the calendar year in which the expense occurred.

10. Limitation on Parachute Payments. In the event that the payment and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code and (ii) but for this Section 10, would be subject to the excise tax imposed by Section 4999 of the Code, then Executive's payments and benefits will be either:

a. delivered in full, or

b. delivered as to such lesser extent which would result in no portion of such severance benefits being subject to excise tax under Section 4999 of the Code,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of severance benefits, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code.

If a reduction in severance and other payments and benefits constituting "parachute payments" is necessary so that benefits are delivered to a lesser extent, reduction will occur in the following order: (i) cancellation of awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G); (ii) cancellation of accelerated vesting of equity awards; (iii) reduction of cash payments; and (iv) reduction of employee benefits. Within any such category of payments and benefits (that is, (i), (ii), (iii) or (iv)), a reduction shall occur first with respect to amounts that are not deferred payments and then with respect to amounts that are. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of Executive's equity awards.

Any determination required under this Section 10 will be made in writing by the Company's independent public accountants engaged by the Company for general audit purposes immediately prior to the Change of Control (the "**Accountants**"), whose good faith determination will be conclusive and binding upon Executive and the Company for all purposes. If the independent registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, or if such firm otherwise cannot perform the calculations, the Company shall appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. For purposes of making the calculations required by this Section 10, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make a determination under this Section 10. The Company will bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 10.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date set forth above.

/s/ Chris Bernauer
By: Chris Bernauer
Date: February 19, 2025

DOUGLAS DYNAMICS, L.L.C

By: /s/ James L. Janik
Its: Interim President and Chief Executive Officer
Date: February 19, 2025

[Signature page to Employment Agreement]

Exhibit 31.1

Section 302 Certification

I, Mark Van Genderen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Douglas Dynamics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

By: /s/ Mark Van Genderen
Mark Van Genderen
President and Chief Executive Officer

Dated: May 6, 2025

Exhibit 31.2

Section 302 Certification

I, Sarah Lauber, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Douglas Dynamics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Sarah Lauber
Sarah Lauber
Executive Vice President and Chief Financial Officer

Dated: May 6, 2025

Exhibit 32.1

CERTIFICATION
Pursuant to 18 U.S.C. Section 1350
Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Douglas Dynamics, Inc., or the Company, on Form 10-Q for the fiscal quarter ended March 31, 2025 as filed with the U.S. Securities and Exchange Commission on the date hereof, or Report, and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of the Company certifies that:

- the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Mark Van Genderen
Mark Van Genderen
President and Chief Executive Officer

Dated: May 6, 2025

By: /s/ Sarah Lauber
Sarah Lauber
Executive Vice President and Chief Financial Officer

Dated: May 6, 2025

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.