

October 27, 2017

## HIGHLIGHTS OF WABASH INVESTMENT IN STRUCTURAL COMPOSITE TECHNOLOGY

- \$3M investment in Little Falls, MN to repurpose a former boat plant to produce structural composite components for use in truck bodies and trailers; part of a \$10M overall investment to expand production of structural composite components.
- Investment in Minnesota will create 100 jobs over five years, in addition to jobs created through expansion of production capabilities in Lafayette and Frankfort, IN.
- Wabash acquired Supreme Industries at an equity value of \$364 million and an enterprise value of \$342 million, expanding the ability to deploy structural composite components in truck bodies produced in the U.S.

Wabash National has developed a new Cold Chain series of truck bodies and trailers with advanced molded structural composite technology. The advanced molded structural composite technology is used to create new value propositions within markets where light weighting and strength is critical. Within the cold chain transportation equipment market thermal efficiency from the integration of molded structural composites is also extremely critical. Earlier this year Wabash acquired a facility in Little Falls, MN that was the former Larson Boat plant. The Larson boat plant was scheduled to close but will now be able to produce new Wabash products that utilize molded structural composite products featuring Prisma panels. This new facility will create jobs that would have otherwise left the little falls area. Wabash is investing \$3M in Minnesota to scale and commercialize products that utilize this technology as part of a longer-term \$10M plan.

More recently Wabash National has closed on the acquisition of Supreme Industries Inc. This is the second largest truck body manufacturer in the United States. Acquiring Supreme will further help Wabash introduce and scale advanced molded structural composites technology into a new space within the transportation equipment market where Wabash hasn't traditionally served. This investment comes at a time when competitors are building new plants in Mexico.

Attached are several articles further discussing the investments Wabash has made in the U.S. to expand the production of truck bodies and trailers using advanced structural composite technology.

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From July 5<sup>th</sup>, 2017 :<http://compositesmanufacturingmagazine.com/2017/07/wabash-and-structural-composites-make-first-all-composite-trailer/3/>

### The Trailblazing Trailer



Wabash was first introduced to the possibility of using composites in the trailer by Structural Composites, a Melbourne, Fla.-based company that was using unique composite technology for shock-mitigating Navy boats. Wabash assessed performance and economic metrics, then benchmarked how the technology might apply to trailers.

Wabash used Structural Composites' PRISMA<sup>®</sup> as the main material for the trailer's entire box, which consists of the roof, walls, nose and floor. This provides excellent insulation qualities at a lower weight than conventional sandwich materials and has the necessary scalability to service a large market. CFRP can also be selectively utilized in the trailer to further reduce weight.

In addition to PRISMA, Wabash used Structural Composites' CoCure strain tunable coating technology for the trailer's interior and exterior wall, roof surfaces and interior floor. The technology allows polyester resins and coatings to be combined with polyurethanes on the factory floor. The strain tuning aspect refers to the ability to change the urethane blend ratio, thereby altering the resin properties – in particular, the strain to failure.

By incorporating molded structural composites instead of aluminum, Wabash improved the trailer's overall thermal performance by up to 25 percent. The trailer's floor is also up to 20 percent lighter than it would be with steel, and the system is far more puncture- and damage-resistant than conventional constructions. In addition, the company indicates that using molded structural composites for the floor system means the trailer can handle more weight – up to 24,000 pounds – compared to conventional refrigerated vans that are rated for up to 16,000 pounds.

For Wabash, all those advantages translate to a financially-viable solution. One of the biggest barriers to

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the integration of composites in the trailer industry has been cost. Many resins are cost-effective but suffer from poor mechanical properties. Structural Composites' PRISMA and CoCure technologies give Wabash scalable technology that provides great performance at an affordable price. The properties of the trailer, in turn, mean increased savings for Wabash's customers. Customers are also attracted to the possibility of hauling less weight down the road, which also leads to greater fuel efficiency.

Feb 09,2017

## Wabash National Corporation to Expand Operations to Minnesota with Advanced Composites Manufacturing Facility

LAFAYETTE, Ind. – Feb. 9, 2017 – Wabash National Corporation (NYSE: WNC), a diversified industrial manufacturer and North America's leading producer of semi-trailers and liquid transportation systems, today announced plans to invest more than \$3 million for a manufacturing facility in Little Falls, Minnesota, as part of a \$10M longer-term plan to expand production operations for molded structural composites (MSC).

"In support of the continued success of our strategic growth and diversification efforts in advanced composites, we're making this next step in our multi-year development plan to commercialize molded structural composites for select parts of the trailer and truck body markets," said Dick Giromini, chief executive officer. "We want to express our appreciation to Little Falls Mayor Zylka and city officials for their support on this project. We look forward to joining area businesses as an economic contributor and community supporter."

After considerable evaluation of potential expansion opportunities across the United States, Wabash National is purchasing the Little Falls facility from Larson Boat Group. Wabash National selected the Little Falls location as the launch facility for MSC products because of the unique combination of an experienced and highly skilled workforce in composite manufacturing processes, along with a fully equipped and highly engineered facility capable of producing large-size parts at high rates of volume.

Combining this composites manufacturing capability with Wabash National's R&D expertise in advanced composites will allow the company to begin scaling MSC technology across multiple product categories.

"We remain committed to transforming Wabash National into a more diversified industrial company with a broader array of products and services. Our expanding portfolio of composite offerings is instrumental to that goal," explained Brent Yeagy, president and chief operating officer. "The expansion of our MSC manufacturing capabilities, as well as our new licensed ThermHex honeycomb core composite technology that we announced last year, highlight this growing competency in advanced composites."

*Wabash National expects to create more than 100 jobs in Little Falls over the next five years, while continuing to grow its other composites manufacturing operations in Lafayette and Frankfort, Indiana. The company expects to take ownership of the property in April 2017*

Aug 08,2017

## Wabash National Corporation Announces Agreement to Acquire Supreme Industries, Inc.

- Accelerates Wabash National's organic growth in the approximately \$2.0B final mile equipment segment
- Builds on Supreme's 43-year heritage of truck body manufacturing and customer service, with Wabash National adding new technologies and innovation, manufacturing optimization and cost synergies

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- Larger manufacturing footprint and diverse portfolio better serves customers of both companies
- Accretive in first full calendar year after close
- Delivers on Wabash National's strategic plan to diversify the business

LAFAYETTE and GOSHEN, Ind. – Aug. 8, 2017 – Lafayette, Ind.-based Wabash National Corporation (NYSE: WNC), a diversified industrial manufacturer and North America's leading producer of semi-trailers and liquid transportation systems, and Goshen, Ind.-based Supreme Industries, Inc. (NYSE MKT: STS), a leading manufacturer of truck bodies, announced that they have entered into a definitive agreement under which Wabash National would acquire all of the outstanding shares of Supreme in a cash tender offer for \$21 per share, which represents an equity value of \$364 million and an enterprise value of \$342 million.

Founded in 1974, Supreme is the second largest U.S. manufacturer of truck bodies with 2016 sales of \$299 million. The company primarily manufactures light- and medium-duty truck bodies at seven facilities throughout the United States.

"Wabash National has been closely monitoring the transportation landscape as the growth of e-commerce has continued to change the logistics model," said Dick Giromini, Wabash National's chief executive officer. "We formally entered the final mile space in 2015 with the launch of our dry and refrigerated truck bodies, and we have been aggressively growing our presence and product offering over the past two years. This acquisition supports these efforts and accelerates our objective to transform our business into a more diversified industrial manufacturer."

The acquisition will combine Supreme's extensive medium- and light-duty commercial vehicle portfolio, distribution network, and regional manufacturing locations with Wabash National's advanced composite technologies, expertise in lean manufacturing and optimization, engineering and design proficiency and strong supplier relationships.

Supreme provides Wabash National with significant growth and diversification benefits, in line with the company's long-term strategic plan, including reduced dependence on dry van trailer demand, reduced cyclical and new segments for growth.

Wabash National intends to build upon Supreme's industry leadership, distributed manufacturing and installed sales force capacity to accelerate its successful organic truck body growth initiative, while preserving Supreme's heritage of excellence in serving customers.

"This is a great opportunity for both companies to combine our strengths to provide an enhanced customer experience within the growing final mile delivery space," Giromini added. "With Supreme, not only can Wabash National accelerate organic growth with our innovative DuraPlate®, honeycomb panel and molded structural composite (MSC) truck bodies, we can also provide a broader conventional product offering to our existing customer base."

Wabash National expects to deliver at least \$20 million in annual run-rate cost synergies by 2021. The expected cost synergies are primarily driven by corporate and procurement expenditures, and operational improvement savings. In addition, over time, Wabash National expects to achieve significant incremental revenue opportunities that neither company could obtain on a standalone basis.

Supreme Industries' Chief Executive Officer Mark Weber commented, "This is an exciting day for Supreme. Combining with Wabash will enhance our ability to innovate more quickly and create more value for customers. We found a cultural fit with Wabash National. Because of their commitment to safety, innovation and customer relationships, I'm confident joining the Wabash National family will benefit our employees, customers and distributors."