



+



=

**STRONGER  
TOGETHER.**

# FREQUENTLY ASKED QUESTIONS

## WHAT IS THE BUSINESS RATIONALE FOR THIS ACQUISITION?

- This acquisition is the latest action driven by our five-year strategic plan and will result in the achievement of three of the plan's key goals: increased revenue, coast-to-coast geographic expansion and increased shareholder returns.
- This expansion will benefit customers, dealers, suppliers, team members, and shareholders. The purchase of Royal Truck Body will help power our continued growth in the expanding commercial, retail, specialty service, and last mile delivery vehicle categories.

## WHAT PRODUCTS DOES ROYAL TRUCK BODY PRODUCE?

- Royal manufactures and assembles truck body options for various trades, service truck bodies, stake body trucks, contractor trucks, and dump bed trucks. The brand builds on all-domestic truck chassis — including GMC, Chevrolet, Ford, and RAM, as well as International, Isuzu Work Trucks, and Hino. Royal's truck bodies, aftermarket replacement parts, and accessories are sold through an extensive West Coast dealer network.
- Royal Truck Body joins Spartan's Specialty Chassis & Vehicles business unit and, in recognition of the strength of the brand, will continue to go to market under the Royal Truck Body™ name.

## WHERE IS ROYAL TRUCK BODY LOCATED, HOW MUCH MANUFACTURING SPACE WILL SPARTAN GAIN, AND WHAT ARE THE LONG-TERM PLANS FOR THOSE FACILITIES?

- Royal Truck Body is the largest service body company in the Western United States and operates in a significant manufacturing space at their principal facility in Carson, California. Royal Truck Body also has additional manufacturing and assembly space in branch locations in Union City, California; Mesa, Arizona; and in and around Dallas, Texas. Royal's six geographic locations are a critical part of Spartan's strategy to manufacture, assemble, service, and distribute more efficiently and cost-effectively to customers across the nation.

## HOW MANY PEOPLE DOES ROYAL TRUCK BODY EMPLOY, AND WILL THEY BE RETAINED?

- Royal Truck Body's 250 high-skilled employees will join the existing Spartan workforce of 2,300 valued associates. Together, we will make an even greater impact, better serving trades and fleet customers across North America and beyond.

## WHAT WILL THE ROYAL TRUCK BODY EARNINGS CONTRIBUTION BE?

- Spartan expects the transaction to be accretive to earnings and margins on an annualized basis in 2020.

## WHAT DOES THE ACQUISITION MEAN FOR SPARTAN CUSTOMERS?

- Royal Truck Body's acquisition provides Spartan with an expanded geographic presence, a broad complementary product set in commercial work trucks, and a committed employee base, enabling us to bring a broader portfolio of purpose-built work trucks to market, alongside greater, more cost-effective distribution capabilities.

## HOW WILL SPARTAN'S SUPPLY BASE BE IMPACTED?

- We look forward to making the most of this acquisition by working with both Spartan and Royal Truck Body suppliers to bring new products, innovations, and capabilities to market.

## WHAT DOES THE EXPANSION MEAN FOR EXISTING SPARTAN EMPLOYEES?

- Royal Truck Body's product and facility portfolio, combined with our vocation-specific vehicles and upfits, means a broader product portfolio for customers and increased growth opportunities for the combined Spartan and Royal team.