STONEGATE CAPITAL PARTNERS

AUGUST 13, 2026

INDUSTRY: MACHINERY & TRANSPORTATION

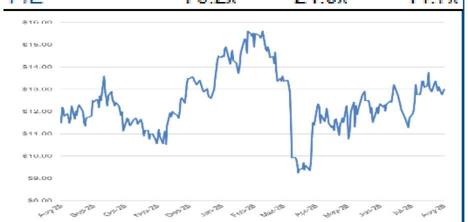
Dave Storms, CFA
dave@stonegateinc.com
214-987-4121

Market Statistics in USD	
Price	$ 13.69
52 week Range	$8.91 - $15.96
Daily Vol (3-mo. average)	298,291
Market Cap (M)	$1,061.1
Enterprise Value (M)	$1,569.0
Shares Outstanding: (M)	77.5
Float (M)	36.7

Financial Summary in USD	
Cash (M)	$ 109.7
Cash/Share	$ 1.41
Debt (M)	$ 617.7
Equity (M)	$ 824.3
Equity/Share	$ 10.62

Valuation in USD	
Valuation Range	$15.31 - $16.53
2027E Price Target	$ 15.90

FYE: Dec	2025	2026E	2027E
(all figures in M, except per share information)			
Rev	$1,526.6	$2,057.6	$2,157.3
Chng%	40.6%	34.8%	4.8%
EBITDA	$ 132.8	$ 184.8	$ 215.9
Net Income	$ 9.7	$ 50.3	$ 90.7
EPS	$ 0.17	$ 0.65	$ 1.17
EV/Revenue	1.1x	0.8x	0.7x
EV/EBITDA	12.5x	8.5x	7.3x
P/E	76.2x	21.0x	11.7x



Company Description

Aebi Schmidt Holding AG is a Swiss specialty vehicle manufacturer and upfitter serving infrastructure maintenance, airport, municipal, commercial fleet, goods transport, RV chassis, and specialty agriculture markets. The Company designs, manufactures, assembles, and upfits specialized vehicles, bodies, attachments, and equipment used in mission-critical applications where reliability, uptime, and service support are essential. Following the 2025 Shyft merger, AEBI operates a broader specialty vehicle platform across North America and Europe/ROW, spanning five core business lines.

Company Updates

AEBI's 2Q26 marked a step-up in execution as the 1Q production ramp translated into stronger revenue conversion and operating leverage. The 90 bps y/y adjusted EBITDA margin expansion came despite material inflation and before recent price increases fully work through backlog, suggesting production efficiency and synergy capture are supporting margin improvement ahead of fuller pricing realization. Backlog remains elevated, Shyft synergies are progressing ahead of plan, and FY26 guidance was maintained. The $1.28B backlog may understate forward visibility, as the seven-year, $96M walk-in/cargo van framework agreement is not included. Temporary material-cost pressure remains an offset, while supply-chain investments slow deleveraging.

Results: Sales increased 9% y/y on the Company's combined basis and 9% q/q to $496.4M, while adjusted EBITDA rose 22% y/y to $42.1M. Adjusted EBITDA margin expanded 90 bps y/y and 120 bps q/q to 8.5%, reflecting production efficiency, completed ramp-ups and realized synergies despite gross-margin pressure from material inflation. Order intake increased 16% to $516M, while backlog reached $1.28B, up 20% y/y, supporting management's expectation for sequential revenue growth through 2H26. NWC was $449.1M, while leverage improved to 2.72x. Higher inventory temporarily limits further deleveraging.

Europe: Europe & RoW profitability improved, with sales up 7% y/y to $140.1M and adjusted EBITDA up 25% to $6.6M. Higher gross margins across new equipment and aftermarket and cost discipline drove improvement. Order intake increased 20%, supported by an ~$11M German motorway contract and an ~$5.5M LADOG cross-sell to major U.K. airports, highlighting cross-selling opportunity across AEBI's customer base.

NAM: North America stepped up following the 1Q production ramp, with sales up 11% y/y to $356.3M and adjusted EBITDA up 22% to $35.5M. Walk-in van backlog conversion was the primary driver, while airport, municipal and Royal service bodies contributed. Royal delivered a record quarter, with service-body production up >20% y/y. The seven-year, $96M framework agreement begins contributing revenue in 2027, is not included in backlog, and expands beyond traditional parcel-delivery customers into cargo vans, broadening the addressable market. Shyft synergies increased to >$40M on an annual run-rate basis, with ~$37M expected by YE26 and $5M remaining for 2027. Service-body insourcing is ramping in 3Q26, while cross-selling should contribute more visibly in 2027.

Outlook: Management reaffirmed FY26 sales guidance of $1.95B-$2.15B and adjusted EBITDA of $175M-$195M, while raising year-end leverage guidance to around 2.0x. Revenue is expected to increase sequentially through 2H26, as executed price increases benefit margins toward year-end and early 2027. North America throughput, pricing, synergies and working capital remain key to near-term execution. Strategy 2030 targets >$3B of sales through organic growth, market recovery and M&A, with >13% adjusted EBITDA margin supported by synergies, pricing/mix and production/footprint efficiency.

Valuation: We use a P/E Comp Analysis, DCF Model and EV/EBITDA comp analysis to guide our valuation. Our P/E Comp Analysis arrives at a valuation range of $14.62 to $15.21 with a mid-point of $14.91. Our DCF analysis produces a valuation range of $14.89 to $16.56 with a mid-point of $15.67. Our EV/EBITDA valuation results in a range of $16.43 to $17.83 with a mid-point of $17.13. When combined using a simple average we estimate a valuation range of $15.31 to $16.53 with a price target of $15.90.

Valuation

To help frame our valuation we use a combination of a P/E Comp Analysis, comparative analysis, and discounted cash flow analysis.

Our DCF analysis relies on a range of discount rates between 11.75% and 12.25% with a midpoint of 12.00%. This arrives at a valuation range of $14.89 to $16.56 with a mid-point of $15.67. To formulate our discount rate we rely on a risk free rate of 3.9%, a Risk Premium of 10.0%, and an after tax cost of debt equal to 5.7%.

Sensitivity Analysis:

		Terminal Growth Rates				
		0.0%	0.5%	1.0%	1.5%	2.0%
iscount rate	11.50%	$15.92	$16.28	$16.67	$17.10	$17.57
	11.75%	$15.46	$15.79	$16.16	$16.56	$17.00
	12.00%	$15.02	$15.33	$15.67	$16.05	$16.46
	12.25%	$14.59	$14.89	$15.21	$15.56	$15.94

Comparative Analysis
(all figures in M, except per share information)

Company Name	Symbol	Price [1]	Mrkt Cap	EV	BV/Share	EV/Revenue [2, 3] 2025	EV/Revenue 2026E	EV/Revenue 2027E	EV/EBITDA [2, 3] 2025	EV/EBITDA 2026E	EV/EBITDA 2027E	P/E [2, 3] 2025	P/E 2026E	P/E 2027E
Alamo Group Inc.	ALG	$163.58	$ 1,990.9	$ 2,074.8	$ 99.31	1.26x	1.21x	1.17x	81.2x	8.6x	7.8x	19.4x	15.5x	13.4x
Blue Bird Corporation	BLBD	$ 64.67	$ 2,048.5	$ 2,047.4	$ 20.67	0.91x	1.09x	0.98x	64.8x	7.9x	7.5x	11.5x	13.4x	N/A
Bucher Industries AG	BUCN	$373.51	$ 3,701.4	$ 3,362.8	$ 219.59	1.18x	0.96x	0.92x	68.3x	9.0x	8.0x	15.9x	17.2x	15.3x
Columbus McKinnon Corporation	CMCO	$ 19.07	$ 544.3	$ 3,709.7	$ 19.75	0.98x	1.85x	1.72x	30.1x	10.0x	8.7x	82.3x	11.2x	8.0x
Federal Signal Corporation	FSS	$123.06	$ 7,511.8	$ 7,934.8	$ 24.70	3.11x	3.01x	2.84x	234.6x	14.5x	13.4x	26.8x	23.5x	21.3x
LCI Industries	LCII	$107.14	$ 2,604.7	$ 3,534.4	$ 58.89	0.95x	0.88x	0.83x	165.5x	8.0x	7.5x	16.0x	12.5x	11.3x
Douglas Dynamics, Inc.	PLOW	$ 41.92	$ 967.4	$ 1,255.5	$ 12.99	1.58x	1.62x	1.57x	38.9x	10.0x	9.7x	16.4x	13.4x	13.0x
Standard Motor Products, Inc.	SMP	$ 38.96	$ 870.4	$ 1,504.1	$ 32.13	0.81x	0.80x	0.78x	46.3x	7.1x	6.5x	19.6x	9.2x	8.0x
Wabash National Corporation	WNC	$ 12.49	$ 508.8	$ 983.8	$ 7.18	0.47x	0.61x	0.48x	158.5x	N/A	5.9x	1.7x	N/A	10.2x
				Average	**$ 55.02**	**1.2x**	**1.3x**	**1.3x**	**98.7x**	**9.4x**	**8.3x**	**23.3x**	**14.5x**	**12.6x**
				Median	**$ 24.70**	**1.0x**	**1.1x**	**1.0x**	**68.3x**	**8.8x**	**7.8x**	**16.4x**	**13.4x**	**12.1x**
Aebi Schmidt Holding AG	AEBI	$ 13.69	$ 1,061.1	$ 1,569.0	$ 10.62	1.1x	0.8x	0.7x	12.5x	8.5x	7.3x	76.2x	21.0x	11.7x

(1) Previous day's closing price
(2) Estimates are from Capital IQ
(3) Forward estimates as of calendar year
Source: Company reports, CapitalIQ, Stonegate Capital Partners

We are using an EV/EBITDA framework to help inform our AEBI valuation. Currently AEBI is trading at a 2027E EV/EBITDA of 7.3x compared to comps at an average of 8.3x. We are using our 2027E expected EBITDA of 215.9m, and an EV/EBITDA range of 8.25x to 8.75x with a midpoint of 8.50x which moves AEBI closer to comp companies. We believe this is reasonable given the continued growth in orders and the Company's potential expansion into North American after sales. This arrives at a valuation range of $16.43 to $17.83 with a mid-point of $17.13.

EV/EBITDA			
2027E	**8.25x**	**8.50x**	**8.75x**
Adj EBITDA	215.9	215.9	215.9
TEV	1,781.5	1,835.5	1,889.5
Cash	109.7	109.7	109.7
Debt	617.7	617.7	617.7
Mrkt Cap	1,273.6	1,327.6	1,381.6
S/O	77.5	77.5	77.5
Price	**$ 16.43**	**$ 17.13**	**$ 17.83**

We are also using a P/E Comp Analysis to guide our valuation with the intent of it being closer to a sanity check. Currently AEBI is trading at a 2027E P/E of 11.7x compared to comps at an average of 12.6x. We are using our 2027E expected EPS of $1.17, and an P/E range of 12.50x to 13.00x with a midpoint of 12.75x which moves AEBI closer to comp companies for the same reasons as mentioned above. This arrives at a valuation range of $14.62 to $15.21 with a mid-point of $14.91.

P/E			
2027E	**12.50x**	**12.75x**	**13.00x**
EPS	1.17	1.17	1.17
Price	**$ 14.62**	**$ 14.91**	**$ 15.21**

DISCOUNTED CASH FLOW

Aebi Schmidt Holding AG
Discounted Cash Flow Model
(in $M, except per share)

Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	Terminal Value
Revenue	1,086	1,527	2,058	2,157	2,276	2,390	2,497	2,597	2,695	2,789	2,886	2,973	3,062	
Operating Income	68	73	118	155	171	180	189	202	211	219	229	238	245	
Less: Taxes (benefit)	10.9	1.5	23.4	25.5	42.7	45.1	47.3	50.5	52.8	54.7	57.3	59.5	61.2	
NOPAT	57.6	71.6	95.0	129.1	128.0	135.3	141.8	151.4	158.4	164.2	171.9	178.4	183.7	
Plus: Depreciation & Amortization	26.4	44.2	55.9	54.1	56.9	59.7	57.4	59.7	56.6	58.6	60.6	59.5	58.2	
Plus: Changes in WC	24.9	(165.5)	41.2	43.1	11.4	11.9	-	(13.0)	(13.5)	(13.9)	(14.4)	(14.9)	(15.3)	
Less: Capex	(13.6)	(14.2)	(15.0)	(15.0)	(15.0)	(20.0)	(20.0)	(20.0)	(25.0)	(25.0)	(25.0)	(30.0)	(30.0)	
Free Cash Flow	95.3	(64.0)	177.0	211.3	181.3	187.0	179.2	178.1	176.6	183.8	193.1	193.0	196.6	1,805.2
Discount period - months			6	18	30	42	54	66	78	90	102	114	126	
Discount period - years			0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	
Discount factor			0.94	0.84	0.75	0.67	0.60	0.54	0.48	0.43	0.38	0.34	0.30	
PV of FCF			167.3	178.3	136.6	125.8	107.6	95.5	84.5	78.6	73.7	65.8	59.8	549.2
Growth rate assumptions:														
Revenue		40.6%	34.8%	4.8%	5.5%	5.0%	4.5%	4.0%	3.8%	3.5%	3.5%	3.0%	3.0%	
Operating Income		6.7%	62.0%	30.7%	10.3%	5.7%	4.8%	6.7%	4.7%	3.6%	4.7%	3.8%	3.0%	
EBITDA		23.6%	48.6%	19.8%	9.0%	5.5%	2.6%	6.1%	2.4%	3.6%	4.4%	2.6%	2.0%	
Free Cash Flow		-167.1%	-376.8%	19.4%	-14.2%	3.2%	-4.2%	-0.6%	-0.9%	4.1%	5.0%	0.0%	1.9%	
Margin assumptions:														
Operating Income	6.3%	4.8%	5.8%	7.2%	7.5%	7.6%	7.6%	7.8%	7.8%	7.9%	7.9%	8.0%	8.0%	
D&A as a % of sales	2.4%	2.9%	2.7%	2.5%	2.5%	2.5%	2.3%	2.3%	2.1%	2.1%	2.1%	2.0%	1.9%	
EBITDA	8.7%	7.7%	8.5%	9.7%	10.0%	10.1%	9.9%	10.1%	9.9%	10.0%	10.0%	10.0%	9.9%	
Taxes	16.0%	2.0%	19.8%	16.5%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Changes in WC	2.3%	-10.8%	2.0%	2.0%	0.5%	0.5%	0.0%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	
CapEx	-1.3%	-0.9%	-0.7%	-0.7%	-0.7%	-0.8%	-0.8%	-0.8%	-0.9%	-0.9%	-0.9%	-1.0%	-1.0%	

Valuation:

Shares outstanding	77.5
PV of FCF	1,173.4
PV of Terminal Value	549.2
Enterprise Value	1,722.6
less: Net Debt	507.9
Estimated Total Value:	1,214.7
Est Equity Value/share:	**$15.67**
Price	$13.69

Sensitivity Analysis:

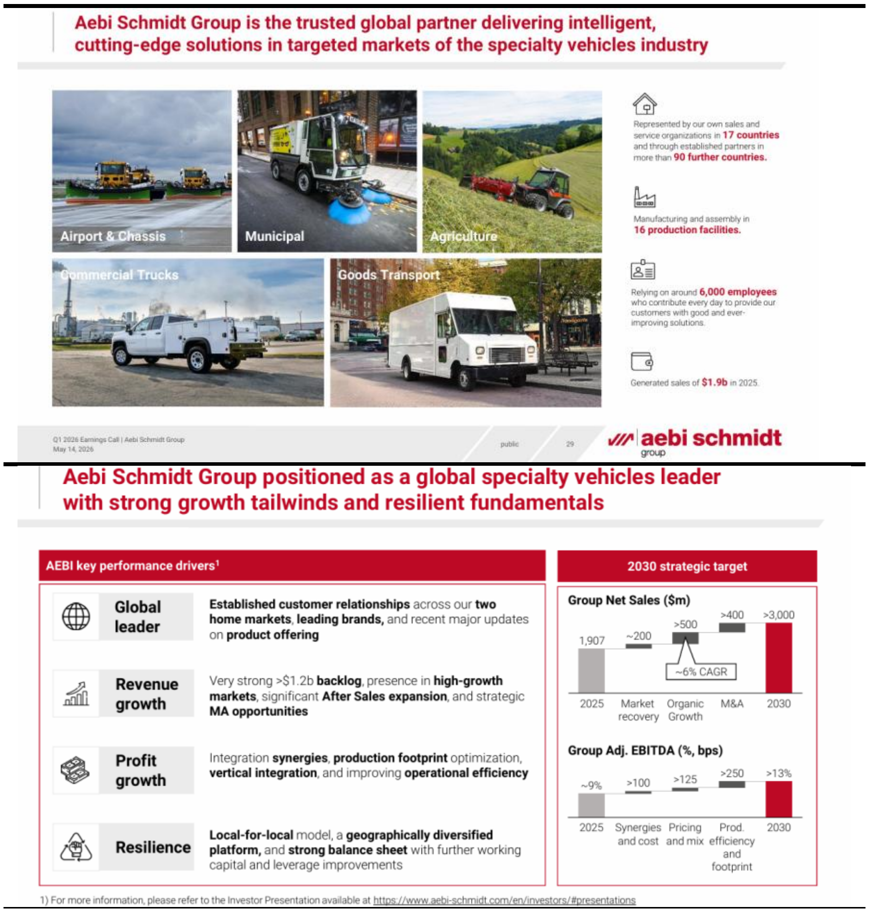
Discount rate	Terminal Growth Rates: 0.0%	0.5%	1.0%	1.5%	2.0%
11.50%	$15.92	$16.28	$16.67	$17.10	$17.57
11.75%	$15.46	$15.79	$16.16	$16.56	$17.00
12.00%	$15.02	$15.33	$15.67	$16.05	$16.46
12.25%	$14.59	$14.89	$15.21	$15.56	$15.94
12.50%	$14.19	$14.46	$14.76	$15.09	$15.45

Company Overview

Aebi Schmidt Holding AG (Nasdaq: AEBI) is a Swiss specialty vehicle manufacturer and upfitter serving infrastructure maintenance, airport, municipal, commercial fleet, goods transport, RV chassis, and specialty agriculture markets. The Company traces its roots to Aebi, founded in 1883 in Burgdorf, Switzerland, while the modern Aebi Schmidt platform was formed in 2007 through the combination of Aebi and Schmidt. AEBI became Nasdaq-listed in July 2025 through its all-stock merger with The Shyft Group, with regular-way trading under the ticker AEBI beginning on July 2, 2025.

AEBI designs, manufactures, assembles, and upfits specialized vehicles, bodies, attachments, and equipment used in applications where reliability, uptime, safety, and service support matter to the purchasing decision. Its portfolio includes airport runway clearing and de-icing equipment, snow and ice management systems, street sweepers, road maintenance equipment, commercial truck bodies, walk-in vans, delivery fleet vehicles, RV chassis, and steep-terrain agricultural equipment.

Exhibit 1: Diversified Platform



Source: Company Reports

The Company has global scale, with sales and service organizations in 17 countries, partners in more than 90 additional countries, 16 production facilities, approximately 6,000 employees, and $1.9B of 2025 pro-forma revenue. AEBI reports through two segments: North America and Europe & Rest of World. Commercially, the business is organized around five lines: Airport & Chassis, Commercial Trucks, Goods Transport, Municipal, and Agriculture.

AEBI's business model is primarily product-driven, supported by aftermarket parts, service, repair, maintenance, and refurbishment. The Company sells through direct sales teams, dealers, public-sector procurement channels, fleet relationships, and OEM programs. Its customer base includes airports, municipalities, departments of transportation, commercial fleets, parcel and delivery operators, RV OEMs, dealers, contractors, and agriculture customers.

The acquisition of The Shyft Group expanded AEBI's North American footprint and added several established commercial and recreational vehicle brands, including Utilimaster, Blue Arc, and Spartan RV Chassis. The transaction added scale in walk-in vans, last-mile delivery, fleet upfitting, commercial truck bodies, and RV chassis, making AEBI a national player in the specialty vehicles industry in North America.

Business Segments

AEBI operates across two reportable regions and five business lines, with exposure to public infrastructure, airport operations, commercial fleets, goods transport, RV chassis, and specialty agriculture. In FY25 the Company generated $1.9B combined revenue, with North America contributing ~71% of sales, while Europe & Rest of World represented ~29%. By revenue type, New Business represented >85% of FY25 sales, with After Sales representing <15%.

North America is the larger sales and order backlog base, with exposure to Airport & Chassis, Commercial Trucks, Goods Transport, and Municipal. The region has also demonstrated strong order momentum, providing better visibility into future sales as backlog converts. Europe & RoW is smaller, but has delivered strong profitability growth and continues to outpace broader GDP trends across its core markets. The region also carries a higher After Sales mix than North America, which supports revenue quality through parts, service, and installed-base activity. Together, North America offers the larger scale and backlog conversion opportunity, while Europe & RoW provides a useful proof point for service attachment and margin quality across the broader platform.

Exhibit 2: Execution Priorities

Source: Company Reports

Across its core specialty vehicle markets, AEBI reports a management-estimated combined TAM of approximately $11.6B, spanning airport equipment, chassis, commercial trucks, trailers, walk-in vans, truck bodies, municipal snow and ice, street sweeping, and agriculture equipment. AEBI does not report revenue by each of its five business lines, but its commercial organization is built around Airport & Chassis, Commercial Trucks, Goods Transport, Municipal, and Agriculture. The customer base is also diversified, with the top 10 customers representing 18% of North America net sales and approximately 17% of Europe net sales in 2025.

Airport & Chassis

Airport & Chassis includes airport runway maintenance equipment, snow removal and de-icing solutions, multi-tasking machines, runway sweepers, sprayers, blowers, hydraulic equipment, control systems, and Spartan RV chassis. The airport business is driven by runway uptime, safety requirements, winter readiness, replacement cycles, and service support. The chassis business adds exposure to Class A motorhome demand. Based on management estimates, AEBI holds #1 positions in airport equipment across both North America and Europe/RoW, while also holding the #2 chassis position in North America.

Municipal

Municipal includes snow and ice control equipment liquid anti-icing systems, electric sweepers, pavement marking solutions, municipal work trucks, dump bodies, interchangeable body systems, multipurpose transporters, plows, spreaders, and related attachments. Demand is tied to road safety, infrastructure maintenance, municipal budgets, seasonal preparation, and fleet replacement. AEBI estimates a municipal TAM of approximately $3.0B across street sweeping and snow and ice, and reports leadership positions in roadway snow and ice clearing, heavy-duty snow removal, and electric sweeper technology.

Commercial Trucks

Commercial Trucks includes custom truck bodies, vocational upfits, accessories, lighting and electrical solutions, and specialty configurations for commercial, utility, emergency, municipal, and contractor fleets. This business is more customization-driven than standard vehicle manufacturing, allowing AEBI to attach higher-value content to fleet purchases. AEBI estimates a TAM of approximately $4.0B in trucks and $1.0B in trailers.

Goods Transport

Goods Transport includes walk-in vans, truck bodies, trailers, EV fleet solutions, and support/service networks used in parcel delivery, e-commerce, freight, service, and infrastructure-related applications. The Shyft acquisition expanded AEBI's position in this category through Utilimaster, Towmaster, and Blue Arc. Management estimates a combined Goods Transport TAM of approximately $2.5B across walk-in vans and truck bodies, with AEBI holding a leading position in walk-in vans.

Agriculture

Agriculture is focused on specialized equipment for steep-slope and challenging-terrain applications, including motor mowers, slope tractors, and multipurpose transporters. The business is smaller than AEBI's infrastructure and fleet-facing categories, but it gives the Company a defensible niche with a long operating history and specialized products. AEBI reports a management-estimated agriculture TAM of approximately $300M in Europe/RoW and a #1 position in alpine markets.

Growth Drivers

AEBI's growth outlook is tied to what the Company can do with the larger business it now owns. The Shyft acquisition added North American scale, expanded AEBI's fleet and upfit exposure, and gave management more room to improve margins through purchasing, in-sourcing, facility utilization, and service growth. The next phase is less about proving there is demand and more about turning the combined platform into a cleaner, higher-margin specialty vehicle business.

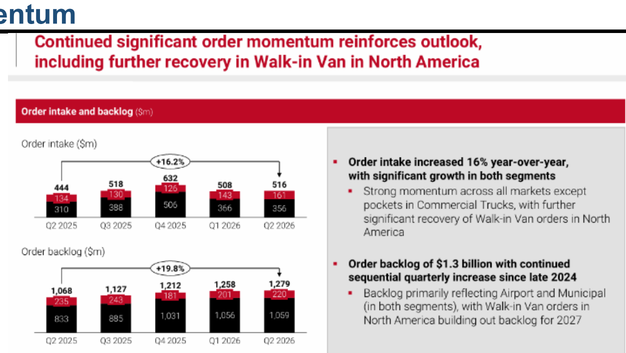
Shyft acquisition expanded the North American platform

The Shyft acquisition materially changed AEBI's North American footprint. The transaction added Utilimaster, Blue Arc, Spartan RV Chassis, and Towmaster, expanding AEBI across walk-in vans, truck bodies, fleet upfitting, last-mile delivery, specialty trailers, EV fleet solutions, and RV chassis. That gives the Company a broader customer set across commercial fleets, municipalities, parcel and delivery operators, dealers, OEM partners, and specialty vehicle customers.

The value of the deal is not just added revenue. Shyft gives AEBI more manufacturing capacity, more fleet relationships, a larger installed base, and more opportunities to attach parts, service, repair, refurbishment, and upfit content over time. It also gives management more room to improve purchasing economics, remove duplicate costs, in-source production, and raise utilization across the North American footprint.

AEBI is no longer mainly a European municipal and airport equipment platform with some North American exposure. It is now a larger specialty vehicle company with a much bigger North American operating base. That changes the earnings story. The biggest opportunity is to take the acquired Shyft assets, improve throughput, capture synergies, and turn the larger footprint into a more profitable platform.

Exhibit 3: Order Momentum



Margin expansion supported by synergies and operating execution

AEBI has a clear margin bridge tied to merger synergies, procurement savings, in-sourcing, footprint optimization, warehouse and logistics optimization, and better capacity utilization. Management raised its expected merger synergy opportunity to at least $40M, above the original $25M–$30M pre-merger target. That gives investors a more defined path from integration work to earnings improvement.

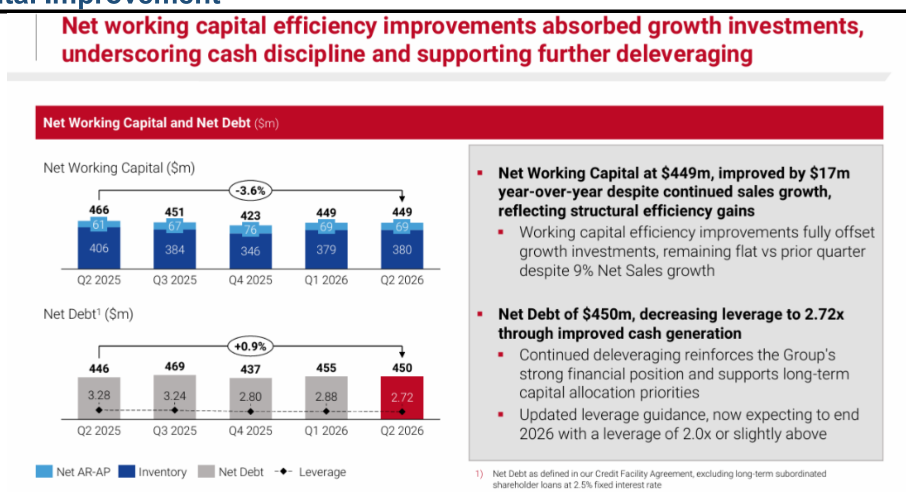
The margin opportunity should come from several areas. Procurement savings should improve purchasing economics across a larger supplier base, particularly where AEBI can standardize vendors, negotiate better terms, and apply more scale to common components. In-sourcing Service Pro XP body production should allow the Company to keep more value inside the business rather than outsourcing that content. Footprint optimization should reduce duplication across the combined network, while warehouse and logistics strengthening should lower handling, freight, and inventory-related inefficiencies.

Facility utilization is another important piece. Specialty vehicle manufacturing has meaningful fixed-cost absorption. When production is below optimal levels, labor, overhead, and facility costs weigh on margins. As throughput improves across key North American facilities, AEBI should be able to spread fixed costs over a larger revenue base and improve operating leverage. That is why the margin bridge is not just a cost-cutting story. It is a combination of purchasing scale, vertical integration, footprint discipline, and better absorption.

This is also where the Shyft acquisition matters most financially. The transaction created a larger platform, but larger platforms only create value if management takes out duplication and improves execution. AEBI now has the opportunity to convert the acquired revenue base into a higher-margin business through specific actions already identified by management.

Capital improvements should also support the margin bridge. AEBI's planned manufacturing and technology investments are aimed at improving throughput, capacity utilization, and footprint efficiency across the larger post-Shyft platform. As these investments flow through the system, they should help reduce bottlenecks, improve fixed-cost absorption, and support better margin conversion on backlog and new orders.

Exhibit 4: Capital Improvement



Source: Company Reports

After Sales can improve mix, visibility, and earnings quality

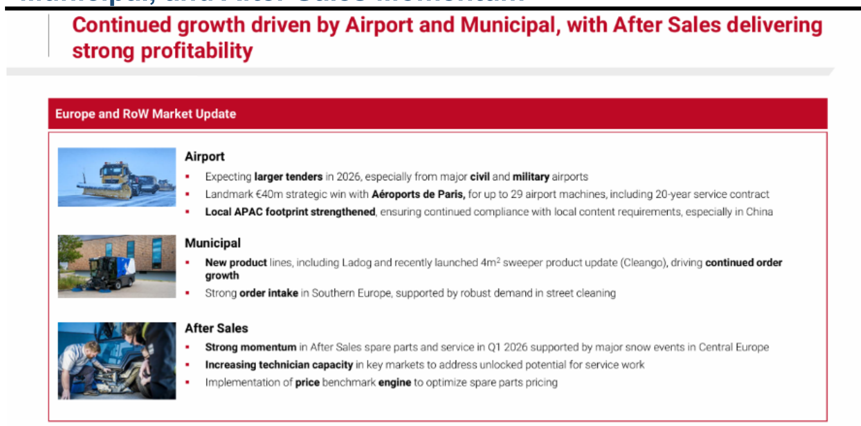
After Sales is one of the cleaner ways for AEBI to improve the quality of its revenue base. New Business is tied to equipment deliveries, fleet orders, customer capex, and public procurement timing. After Sales is different as it is tied to the installed base. Customers still need to keep vehicles and equipment operating even when new equipment purchasing slows.

That matters because AEBI sells into mission-critical applications. Airports need runway equipment available during weather events. Municipalities need snow and ice equipment ready before winter. Fleets need vehicles operating on route. These customers are buying uptime, not just equipment. A larger installed base should create repeat demand for replacement parts, service work, repairs, upgrades, and refurbishment.

Europe & RoW already shows what a more service-heavy model can look like. In 2Q26, After Sales represented ~21% of Europe & RoW sales versus ~9% in North America. Management also cited spare parts and service momentum, increased technician capacity, spare-parts pricing, and After Sales contribution to gross margin improvement.

North America is the bigger long-term opportunity. Shyft added a larger installed base across walk-in vans, truck bodies, fleet upfits, trailers, and chassis. As AEBI builds parts availability, service coverage, technician capacity, and customer relationships across that base, After Sales should become a more meaningful contributor. The Aéroports de Paris award, which includes a 20-year service contract, is a good example of how equipment sales can attach longer-duration service economics. Over time, more service attachment should make AEBI less dependent on the timing of new vehicle deliveries and more tied to the recurring needs of its installed base.

Exhibit 5: Europe & RoW Growth Supported by Airport, Municipal, and After Sales Momentum



Source: Company Reports

Customer wins and partnerships support the growth story

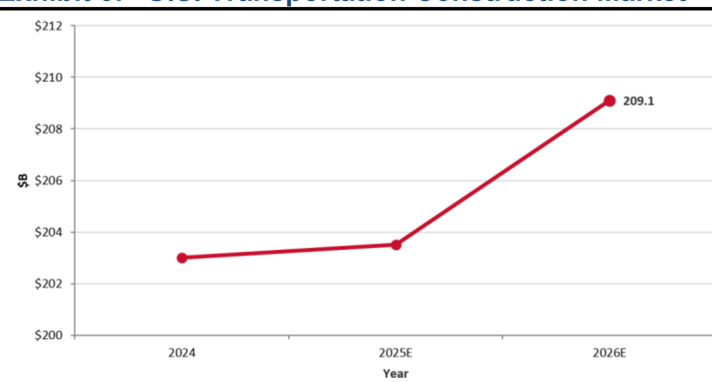
Recent wins and partnerships show where AEBI's expanded platform is gaining traction. The Yeti Move partnership adds an automation angle to Airport only, particularly around airfield and winter fleet operations. The strategic e-commerce customer win supports the last-mile and fleet modernization opportunity in Goods Transport. The Aéroports de Paris award reinforces AEBI's airport position and service attach opportunity, while DOT awards support municipal demand.

The growth thread is uptime, fleet productivity, automation, and service. AEBI can build on that by adding more specialized content to each sale, increasing service attachment, and expanding customer relationships across airport, municipal, fleet, and goods transport markets.

Market Overview

AEBI's end markets are supported by three practical themes. Public infrastructure and airport spending create a steady base for Municipal and Airport & Chassis. Parcel growth and last-mile delivery pressure support Goods Transport. Installed-base service demand supports After Sales. The common thread is uptime. AEBI sells into markets where customers need specialized equipment ready for use, whether that means keeping roads open, runways clear, delivery routes operating, or fleet assets in service.

Exhibit 6: U.S. Transportation Construction Market

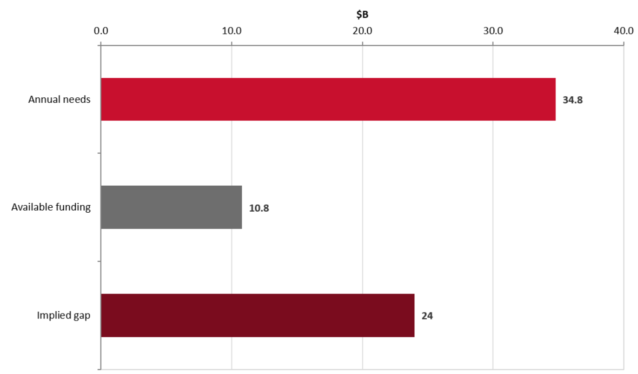


Source: ARTBA

Public infrastructure remains the cleanest support point for AEBI's municipal exposure. ARTBA expects the U.S. transportation construction market to reach a record level in 2026, supported by federal and state funding, aging infrastructure, and continued project activity across highways, bridges, transit, rail, airports, and related assets. Municipalities and DOTs need snow and ice equipment, street sweepers, road maintenance vehicles, pavement marking solutions, and related service support to keep infrastructure operating year-round.

Airport infrastructure adds another durable demand channel. ACI-NA estimates U.S. airports require significant infrastructure investment over the 2025–2029 period, driven by passenger growth, rising construction costs, and more complex facility requirements. AEBI is not selling terminal construction, but airport investment supports the operating environment for specialized airfield equipment. Runway uptime, winter readiness, de-icing, sweeping, and lifecycle service are tied to the same basic need: airports cannot afford equipment failure when weather or operating conditions matter most.

Exhibit 7: Airport Infrastructure Needs Support Long-Term Airfield Equipment Demand

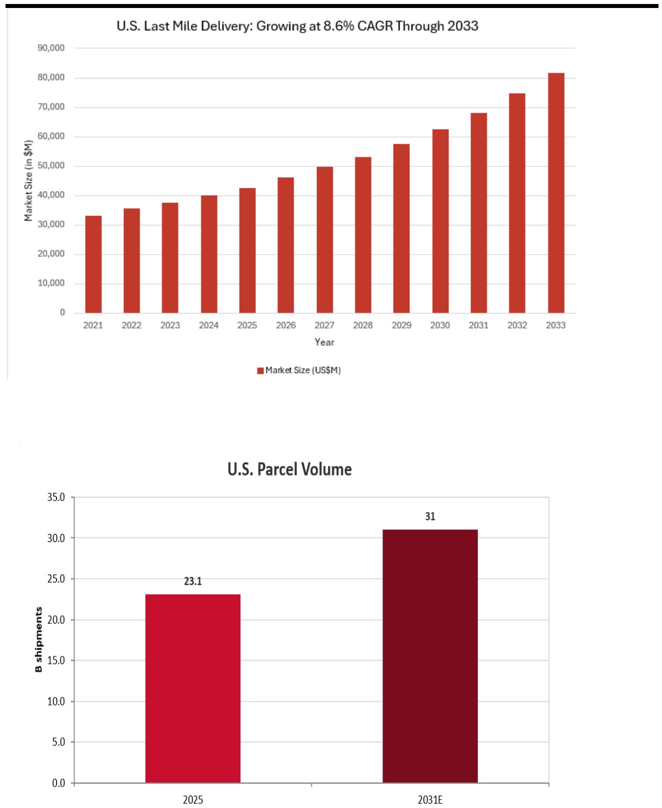


Source: Airportscouncil.org

Last-mile delivery is the most relevant commercial growth theme for AEBI's Goods Transport business. The market is not just growing because more packages are moving through the system. Large delivery customers are trying to improve route density, vehicle uptime, payload efficiency, driver productivity, and fleet standardization. That shifts the buying decision toward purpose-built vehicles, truck bodies, upfits, and service support rather than generic fleet capacity.

This is where the Shyft assets matter. Utilimaster gives AEBI a stronger position in walk-in vans and fleet bodies, while the broader truck body and upfit portfolio gives the Company more ways to serve customers managing last-mile cost pressure. As delivery networks mature, customers are likely to prioritize vehicles that improve operating efficiency, reduce downtime, and fit specific route requirements. For AEBI, that supports demand across walk-in vans, truck bodies, upfits, and related After Sales opportunities.

Exhibit 8: Last Mile TAM & U.S. Parcel Volume



Source: Grand View & Pitney Bowes

After Sales should benefit from the same operating logic. When customers rely on equipment for weather events, municipal service, airfield operations, or delivery routes, the installed base creates recurring demand for parts, repair, maintenance, refurbishment, and technician support. The average age of U.S. cars and light trucks reaching a record level is not an AEBI-specific data point, but it is a useful aftermarket indicator. Equipment owners are keeping assets in service longer, and that generally supports parts and service demand. For AEBI, the opportunity is to increase service attachment across a larger installed base, especially in North America after the Shyft merger.

RV chassis and agriculture add portfolio breadth, but they are not the center of the near-term market setup. RV demand is tied to consumer confidence, financing costs, dealer inventory, and discretionary spending. Agriculture is tied to farm income, commodity prices, input costs, and replacement cycles. Both markets matter, but the cleaner read-through for AEBI remains infrastructure, airport readiness, last-mile fleet productivity, and installed-base service demand.

The market backdrop fits AEBI's portfolio. Public-sector markets provide a steadier base, airport and last-mile trends support targeted growth opportunities, and After Sales gives the Company a way to grow with the installed base rather than only through new equipment deliveries. The best setup for AEBI is not one single end-market inflection. It is steady demand across several specialized markets, paired with better service attachment and stronger execution across the larger post-Shyft platform.

Risks

As with any investment, there are certain risks associated with AEBI's operations as well as with the surrounding economic, regulatory, procurement, and supply chain environments common to specialty vehicle manufacturing, public infrastructure equipment, commercial fleets, and recreational vehicle markets.

Integration and Execution Risk - AEBI's investment thesis is closely tied to the successful integration of Shyft, realization of expected merger synergies, improvement in North American throughput, and conversion of backlog into revenue, margin, and cash flow. Failure to execute on facility ramp-up, procurement savings, footprint optimization, in-sourcing, or working capital improvement could pressure profitability, delay deleveraging, and reduce investor confidence in the combined platform.

Supply Chain, Input Cost, and Tariff Risk - AEBI depends on third-party suppliers for key components including chassis, engines, transmissions, wire harnesses, axles, hydraulics, electronics, and other specialty inputs. Supplier delays, quality issues, component shortages, commodity inflation, freight volatility, or tariff changes could disrupt production schedules, increase costs, pressure margins, and impair backlog conversion if the Company is unable to offset these headwinds through pricing, sourcing, or productivity improvements.

Government Funding and Public Procurement Risk - A meaningful portion of AEBI's demand is tied to municipalities, airports, departments of transportation, infrastructure agencies, and other public-sector customers. Budget constraints, funding delays, procurement timing, changes in infrastructure spending, or government shutdowns could delay orders, extend sales cycles, and create variability in revenue recognition and backlog conversion.

Commercial Fleet and End-Market Cyclicality - While AEBI benefits from essential-use municipal and airport demand, parts of the portfolio remain exposed to cyclical markets including commercial trucks, last-mile delivery, goods transport, RV chassis, and agriculture. Slower fleet replacement, weaker parcel or freight activity, lower RV demand, or reduced agriculture spending could negatively impact order intake, capacity utilization, and operating leverage.

Working Capital and Deleveraging Risk - AEBI's ability to reduce leverage depends on converting backlog into cash while managing inventory, receivables, production timing, and customer payment terms. If production ramps require elevated working capital, or if backlog conversion does not translate into free cash flow, the Company could fall short of deleveraging expectations and face reduced financial flexibility.

Product Quality, Warranty, and Compliance Risk - AEBI operates in mission-critical applications where product reliability, safety, uptime, and regulatory compliance are central to customer purchasing decisions. Product defects, delayed launches, recalls, warranty claims, or failures in airport, municipal, fleet, chassis, or EV-related applications could increase costs, damage customer relationships, and negatively impact the Company's reputation and financial results.

BALANCE SHEET

Aebi Schmidt Holding AG
Consolidated Balance Sheets ($M)
Fiscal Year End: December

ASSETS	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26
Cash and Cash Equivalents	65.2	47.8	63.6	126.0	98.5	98.5	115.9	109.7
Accounts Receivable	174.0	167.2	183.3	297.3	310.8	310.8	271.2	276.3
Contract Assets	24.1	31.1	30.5	82.6	82.3	82.3	81.4	92.9
Inventories	231.4	260.4	297.5	384.4	346.4	346.4	379.2	380.2
Prepaid Expenses	23.5	29.9	30.7	29.9	39.7	39.7	42.6	38.0
Total Current Assets	**518.2**	**536.4**	**605.6**	**920.2**	**877.7**	**877.7**	**890.3**	**897.0**
Property, Plant, and Equipment	68.6	70.2	72.3	172.9	167.9	167.9	162.6	160.5
Goodwill	221.2	221.2	221.2	415.1	403.1	403.1	403.7	409.1
Intangible Assets	175.3	171.8	168.3	341.3	334.7	334.7	326.5	320.3
Deferred Tax Assets	5.7	6.6	7.3	7.7	5.9	5.9	5.7	5.7
ROU Lease	63.1	68.0	93.4	164.9	167.2	167.2	166.2	170.9
Other	36.0	42.9	50.7	53.1	51.7	51.7	52.1	52.3
Total Assets	**1,088.1**	**1,117.1**	**1,218.9**	**2,075.4**	**2,008.3**	**2,008.3**	**2,007.1**	**2,015.7**
LIABILITIES AND SHAREHOLDERS' EQUITY								
Accounts Payable	93.6	92.8	125.9	230.3	234.6	234.6	201.9	207.3
Accrued Warranty	8.6	9.4	10.9	17.5	17.7	17.7	17.1	16.3
Accrued Compensation and Related Taxes	23.2	18.9	23.2	36.4	37.0	37.0	32.9	30.4
Contrtact Liabilities	20.0	19.5	20.5	23.3	19.9	19.9	24.2	26.8
Operating Lease Liabilities	9.2	9.7	11.3	19.3	18.9	18.9	18.3	18.3
Current Portion of Debt	23.3	24.2	27.0	25.1	46.9	46.9	67.9	87.3
Other	89.3	83.5	89.7	85.9	86.4	86.4	86.0	66.3
Total Current Liabilities	**267.2**	**258.2**	**308.5**	**437.8**	**461.3**	**461.3**	**448.4**	**452.6**
Long-term Operating Lease Liabilities	52.7	57.2	80.9	141.1	144.4	144.4	144.8	150.6
Long-term Debt, less current	376.6	402.4	441.0	628.4	488.9	488.9	502.7	493.8
Long-term Loans from Shareholders	-	-	-	-	59.1	59.1	58.2	57.6
Deferred Tax Liabilities	18.3	19.4	19.8	36.4	24.3	24.3	23.4	22.0
Other	8.1	8.5	9.5	19.4	15.3	15.3	14.8	14.8
Total Liabilities	**722.9**	**745.7**	**859.7**	**1,263.1**	**1,193.3**	**1,193.3**	**1,192.4**	**1,191.4**
Common Stock	40.4	50.8	40.4	77.0	77.0	77.0	77.2	77.2
APIC	232.3	221.8	232.3	651.5	652.4	652.4	652.7	654.2
Treasury Shares	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Retained Earnings	61.2	63.3	51.5	50.7	57.6	57.6	56.3	64.9
Accumulated Other Comprehensive Income	31.5	35.6	35.3	33.3	28.2	28.2	28.7	28.2
Total Parent Net Equity	**365.1**	**371.3**	**359.1**	**812.2**	**814.9**	**814.9**	**814.7**	**824.3**
Minority interest	0.1	0.1	0.1	0.0	0.1	0.1	0.0	(0.0)
Total Consolidated Equity	**365.2**	**371.4**	**359.2**	**812.3**	**815.0**	**815.0**	**814.7**	**824.3**
Total Liabilities and Shareholders' Equity	**1,088.1**	**1,117.1**	**1,218.9**	**2,075.4**	**2,008.3**	**2,008.3**	**2,007.1**	**2,015.7**
Liquidity								
Current Ratio	1.9x	2.1x	2.0x	2.1x	1.9x	1.9x	2.0x	2.0x
Quick Ratio	1.1x	1.1x	1.0x	1.2x	1.2x	1.2x	1.1x	1.1x
Working Capital	250.9	278.3	297.1	482.4	416.5	416.5	441.9	444.4
Leverage								
Net Debt to Equity	91.6%	102.0%	112.6%	64.9%	60.9%	60.9%	63.0%	64.2%
Net Debt to Capital	30.8%	33.9%	33.2%	25.4%	24.7%	24.7%	25.6%	26.2%
Capital Usage- Annualized								
A/R Turns		1.6x	1.5x	1.2x	3.6x	1.0x	1.0x	1.7x
Days Sales Outstanding		233.7	243.7	294.1	102.2	355.0	382.4	212.0
A/P Turnover		2.2x	1.9x	1.4x	3.7x	1.2x	1.0x	1.8x
Days Payable Outstanding		162.8	192.4	270.0	98.9	305.9	360.7	198.0

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Aebi Schmidt Holding AG
Consolidated Statements of Income (in $M, except per share amounts)
Fiscal Year End: December

	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 Mar-26	Q2 Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Sales	$1,086.0	$ 249.2	$ 277.7	$ 471.3	$ 528.4	$1,526.6	$ 455.5	$ 496.4	$ 523.7	$ 581.9	$2,057.6	$ 503.5	$ 514.7	$ 555.2	$ 583.9	$2,157.3
Total Revenues	**1,086.0**	**249.2**	**277.7**	**471.3**	**528.4**	**1,526.6**	**455.5**	**496.4**	**523.7**	**581.9**	**2,057.6**	**503.5**	**514.7**	**555.2**	**583.9**	**2,157.3**
Operating Expenses:																
Cost of Products Sold	857.7	195.9	220.9	377.2	428.6	1,222.6	368.2	399.1	416.1	463.4	1,646.8	403.2	410.3	440.6	461.5	1,715.6
Gross Profit	**228.2**	**53.3**	**56.8**	**94.1**	**99.8**	**304.1**	**87.4**	**97.3**	**107.6**	**118.5**	**410.8**	**100.4**	**104.4**	**114.5**	**122.3**	**441.7**
Research and Development	19.6	4.6	5.4	8.7	7.7	26.5	6.7	6.4	6.5	5.8	25.5	6.5	6.7	7.2	7.6	28.0
Selling, General, and Administrative	124.7	30.7	33.6	59.3	57.1	180.6	58.5	55.7	57.6	64.0	235.9	52.9	54.0	58.3	61.3	226.5
Amortization of Purchased Intangibles	14.1	3.6	3.6	8.0	8.2	23.3	8.1	8.4	8.1	8.1	32.7	8.1	8.1	8.1	8.1	32.4
Other	1.4	(0.0)	0.4	0.6	(0.5)	0.5	(1.3)	(0.3)	-	-	(1.6)	-	-	-	-	-
Total Operating Expenses	159.7	38.9	43.0	76.6	72.5	231.0	72.0	70.3	72.3	77.9	292.5	67.5	68.8	73.6	77.0	287.0
Operating Income	**68.5**	**14.4**	**13.9**	**17.5**	**27.3**	**73.1**	**15.4**	**27.0**	**35.4**	**40.6**	**118.4**	**32.9**	**35.6**	**40.9**	**45.3**	**154.7**
Interest	(34.1)	(6.5)	(9.3)	(14.2)	(11.8)	(41.8)	(11.4)	(11.1)	(11.3)	(11.5)	(45.2)	(11.4)	(11.3)	(11.2)	(11.2)	(45.1)
Other Income	7.3	(5.0)	(7.8)	(2.5)	(4.7)	(20.1)	(2.9)	(0.6)	1.4	1.4	(0.7)	0.9	0.9	0.9	0.9	3.6
Profit Before Taxes	**41.7**	**2.8**	**(3.2)**	**0.7**	**10.8**	**11.2**	**1.2**	**15.3**	**25.5**	**30.5**	**72.5**	**22.4**	**25.2**	**30.6**	**35.0**	**113.2**
Income Tax	(10.9)	(0.8)	0.9	0.4	(2.0)	(1.5)	(0.5)	(4.8)	(8.1)	(9.7)	(23.1)	(4.9)	(5.5)	(6.7)	(7.7)	(24.9)
Net Income	**30.737**	**2.062**	**(2.322)**	**1.194**	**8.772**	**9.706**	**0.671**	**10.474**	**17.425**	**20.856**	**49.426**	**17.470**	**19.633**	**23.858**	**27.333**	**88.294**
Non-Controlling Interest	(0.055)	0.013	0.012	0.012	(0.004)	0.033	0.024	0.036	0.036	0.036	0.132	0.036	0.025	0.025	0.025	0.111
Net Income To Common Stockholders	**30.682**	**2.075**	**(2.310)**	**1.206**	**8.768**	**9.739**	**0.695**	**10.510**	**17.461**	**20.892**	**49.558**	**17.506**	**19.658**	**23.883**	**27.358**	**88.405**
Basic EPS	**$ 0.76**	**$ 0.05**	**$ (0.06)**	**$ 0.02**	**$ 0.11**	**$ 0.17**	**$ 0.01**	**$ 0.14**	**$ 0.23**	**$ 0.27**	**$ 0.64**	**$ 0.23**	**$ 0.25**	**$ 0.31**	**$ 0.35**	**$ 1.14**
Diluted EPS	**$ 0.76**	**$ 0.05**	**$ (0.06)**	**$ 0.02**	**$ 0.11**	**$ 0.17**	**$ 0.01**	**$ 0.14**	**$ 0.23**	**$ 0.27**	**$ 0.64**	**$ 0.23**	**$ 0.25**	**$ 0.31**	**$ 0.35**	**$ 1.14**
WTD Shares Out - Basic	40.4	40.4	40.4	77.0	77.0	58.7	77.1	77.2	77.5	77.5	77.3	77.5	77.5	77.5	77.5	77.5
WTD Shares Out - Diluted	40.4	40.4	40.4	77.1	77.3	58.8	77.4	77.5	77.5	77.5	77.5	77.5	77.5	77.5	77.5	77.5
EBITDA	**103.8**	**17.0**	**15.1**	**29.7**	**38.4**	**100.1**	**26.6**	**40.6**	**50.7**	**56.0**	**173.9**	**47.4**	**50.1**	**55.3**	**59.6**	**212.3**
Adjusted EBITDA	**$ 99.0**	**$ 21.3**	**$ 21.3**	**$ 42.2**	**$ 48.1**	**$ 132.8**	**$ 33.1**	**$ 42.1**	**$ 52.1**	**$ 57.4**	**$ 184.8**	**$ 48.3**	**$ 51.0**	**$ 56.2**	**$ 60.5**	**$ 215.9**
Margin Analysis																
Gross Margin	21.0%	21.4%	20.5%	20.0%	18.9%	19.9%	19.2%	19.6%	20.6%	20.4%	20.0%	19.9%	20.3%	20.6%	21.0%	20.5%
Operating Margin	6.3%	5.8%	5.0%	3.7%	5.2%	4.8%	3.4%	5.4%	6.8%	7.0%	5.8%	6.5%	6.9%	7.4%	7.8%	7.2%
EBITDA Margin	9.1%	8.5%	7.7%	9.0%	9.1%	8.7%	7.3%	8.5%	10.0%	9.9%	9.0%	9.6%	9.9%	10.1%	10.4%	10.0%
Pre-Tax Margin	3.8%	1.1%	-1.2%	0.2%	2.0%	0.7%	0.3%	3.1%	4.9%	5.2%	3.5%	4.4%	4.9%	5.5%	6.0%	5.2%
Net Income Margin	2.8%	0.8%	-0.8%	0.3%	1.7%	0.6%	0.2%	2.1%	3.3%	3.6%	2.4%	3.5%	3.8%	4.3%	4.7%	4.1%
Tax Rate	-26.2%	-27.6%	-27.7%	59.8%	-18.8%	-13.3%	-42.1%	-31.6%	-31.6%	-31.6%	-31.8%	-22.0%	-22.0%	-22.0%	-22.0%	-22.0%
Growth Rate Y/Y																
Total Revenue		-3.7%	4.2%	79.6%	77.2%	40.6%	82.8%	78.7%	11.1%	10.1%	34.8%	10.5%	3.7%	6.0%	0.3%	4.8%
Total cost of revenues		1.2%	13.1%	98.8%	62.0%	44.6%	85.1%	63.5%	-5.7%	7.5%	26.6%	-6.3%	-2.0%	1.9%	-1.2%	-1.9%
Operating Income		-28.3%	-28.5%	7.1%	114.9%	6.7%	6.8%	95.1%	102.3%	48.6%	62.0%	113.8%	31.6%	15.7%	11.7%	30.7%
Pre-Tax Income		-77.6%	-128.4%	-87.3%	-8.1%	-73.1%	-59.3%	-577.0%	3312.3%	182.3%	547.6%	1832.5%	64.3%	20.0%	14.9%	56.2%
Net Income		-76.3%	-128.3%	-72.0%	-7.4%	-68.3%	-66.5%	-555.0%	1347.8%	138.3%	408.9%	2418.9%	87.0%	36.8%	30.9%	78.4%

Source: Company Reports, Stonegate Capital Partners estimates

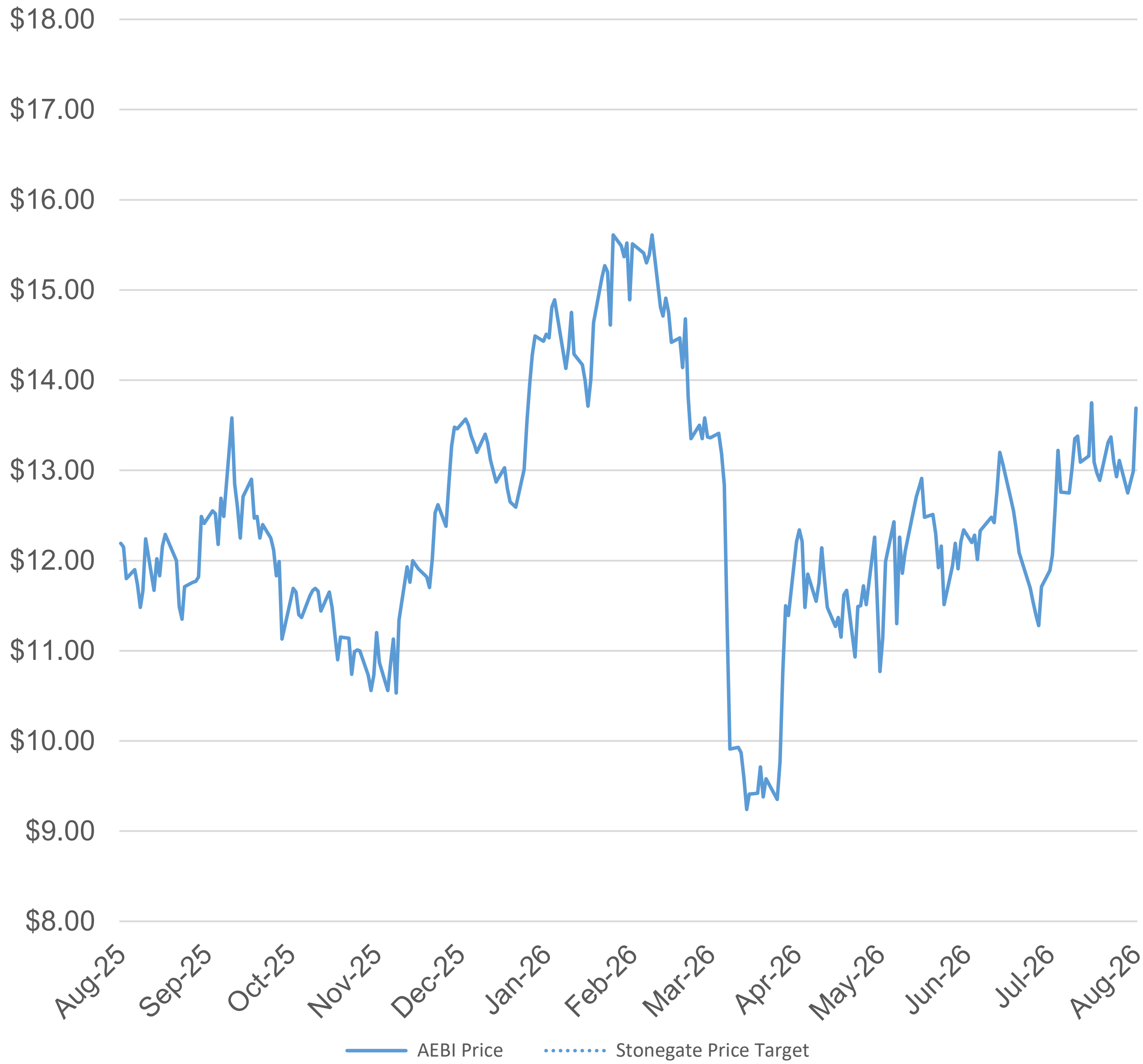
IMPORTANT DISCLOSURES AND DISCLAIMER

(a) The research analyst and/or a member of the analyst's household do not have a financial interest in the debt or equity securities of the subject company.
(b) The research analyst responsible for the preparation of this report has not received compensation that is based upon Stonegate Capital Partners' ("SCP") equity affiliate Stonegate Capital Markets ("SCM"), a FINRA member, investment banking revenues.
(c) SCP or any affiliate has not managed or co-managed a public offering of securities for the subject company in the last twelve months, received investment banking compensation from the subject company in the last 12 months, nor expects to receive or intends to seek compensation for investment banking services from the subject company in the next 12 months.
(d) SCP has a contractual agreement with the subject company to provide research services, investor relations support, and investor outreach. SCP receives a monthly retainer for these non-investment banking services.
(e) SCP or its affiliates do not beneficially own 1% or more of any class of common equity securities of the subject company.
(f) Neither SCP nor its equity affiliate SCM, a FINRA member, make a market in the subject company.
(g) The research analyst has not received any compensation from the subject company in the previous 12 months.
(h) SCP, the research analyst, or associated person of SCP with the ability to influence the content of the research report does not know or have reason to know of any material conflicts of interest at the time of publication or distribution of the research report.
(i) No employee of SCP has a position as an officer or director of the subject company.

Ratings - SCP does not provide ratings for the covered companies.
Distribution of Ratings - SCP does not provide ratings for covered companies.
Price Chart - SCP does not have, nor has previously had, a rating for its covered companies, however, SCP does provide a price target on the covered company. Please see the following page for the historical price chart. This chart shows the covered company's stock price since SCP has been covering the covered company as well as the corresponding SCP price target.
Price Targets - SCP may provide price targets for its covered companies. For a complete understanding of valuation methodologies and risks associated please read this report in its entirety. In instances where SCP does not provide a price target SCP will still provide a valuation analysis.

Regulation Analyst Certification:
I, Dave Storms, CFA, hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

For Additional Information Contact:
Stonegate Capital Partners, Inc.
Dave Storms, CFA
Dave@stonegateinc.com
214-987-4121


$18.00
$17.00
$16.00
$15.00
$14.00
$13.00
$12.00
$11.00
$10.00
$9.00
$8.00
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26
May-26
Jun-26
Jul-26
Aug-26
AEBI Price
Stonegate Price Target