

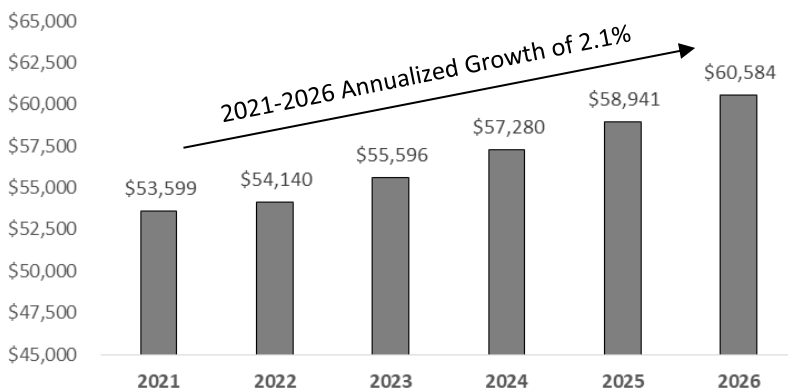
## Quazar Report – U.S. Truck, Trailer, and Motor Home Manufacturing Q4 2021

Estimated Read Time: 4 minutes

The Truck, Trailer, and Motor Home Manufacturing Industry is a diverse one in both its products and customer base. The industry as a whole is estimated to be at \$53.6 billion in Revenue for 2021. With the largest portion of the customer base being direct consumers, historically this industry has been driven primarily by consumer confidence levels as well as demand for domestic travel. Currently, due to the Coronavirus, there has been a perfect storm of consumers with extra cash in their pocket and a desire to get out of the house to travel. Overall demand for this industries products has grown significantly with 2021 anticipated growth of 11.1% over 2020 and annualized growth of 2.1% out to 2026<sup>1</sup>.

The issue this industry is facing is on the supply side of the equation. Similar to most manufacturing businesses, companies in this industry are struggling to get materials, hire workers, and accurately price out products for future delivery. For example most dry van manufacturers are booked out through the end of the year and into 2022. ACT Research reported that net orders for trailer OEMs were 28,500 in September 2021. This number is up 130% over August but down 45% from the same month of the prior year. The reason for this is that many manufacturers are no longer taking orders due to the uncertainty of material prices and inability to deliver products on time<sup>2</sup>. Deloitte also recently published a report noting that while US manufacturing activity was at a record high level in March 2021, there were currently 500,000 unfulfilled job openings in the manufacturing sector<sup>3</sup>.

Truck, Trailer, and Motor Home Manufacturing in the US Industry Projected Revenue<sup>1</sup> (\$mm)



### Sources:

1. Crompton, Thomas "Truck, Trailer & Motor Home Manufacturing in the US" IBIS World, July 2021 <https://my.ibisworld.com/us/en/industry/33621/about>
2. Staff, TBB. "Trailer Orders Jump in September, up 130%: ACT Research." Trailer|Body Builders, <https://www.trailer-bodybuilders.com/trailers/article/21178568/trailer-orders-jump-in-september-up-130-act-research>.
3. "US Manufacturing Skills Gap Could Leave as Many as 2.1 Million Jobs Unfilled by 2030, Deloitte and the Manufacturing Institute Study Finds – Press Release." Deloitte United States, 17 May 2021, <https://www2.deloitte.com/us/en/pages/about-deloitte/articles/press-releases/deloitte-manufacturing-skills-gap.html>.
4. Roberts, Jack. "2021 Trailer Trends: Lighter, Smarter, Tougher." Equipment - Trucking Info, Trucking Info, 20 July 2021, <https://www.truckinginfo.com/10147651/2021-trailer-trends-lighter-smarter-tougher>.

### Key Trends/Industry Data Points

- 2021 Industry Revenue for Truck, Trailer and Motor Home Manufacturing Industry is projected to be \$53.6 billion. Below is the breakout of Industry Revenue by product<sup>1</sup>.
  - Motor Vehicle Bodies – 32.5%
  - Truck Trailers – 24.7%
  - Motor Homes – 9.3%
  - Travel Trailers and Campers – 33.5%
- Below is the 2021 customer segmentation breakout for the Truck, Trailer and Motor Home Manufacturing Industry<sup>1</sup>.
  - Consumers – 57.9%
  - Freight Operators – 22.4%
  - Exports – 19.7%
- The major trends manufacturers are seeing in this industry are demand for lighter yet durable trailers as well as added smart technology features. The lighter trailers are helping operators increase fuel efficiency as well as allowing for heavier payloads both of which are helping increase profitability. Additionally, operators are looking for ways to monitor data on their trailers to help with predictive maintenance and other operating features<sup>4</sup>.

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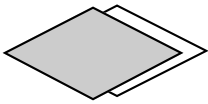
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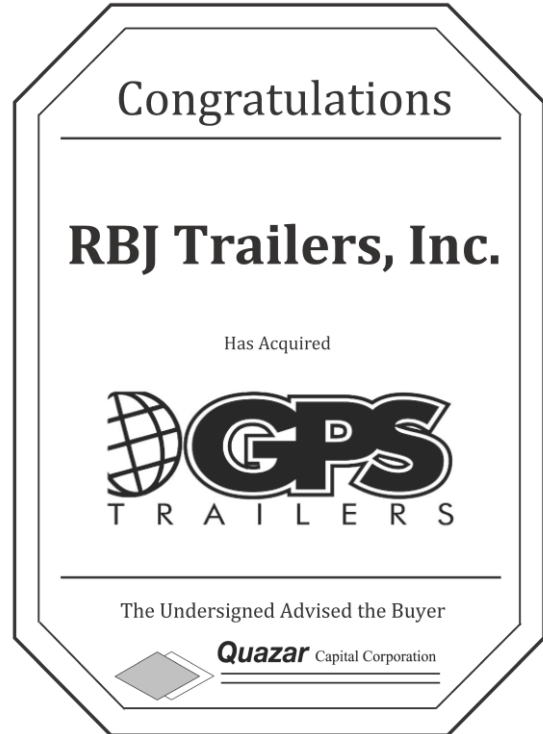
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# Quazar Capital Corporation

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## Quazar Capital Corporation Advises Felling Trailers, Inc. and its Shareholders in Multiple Acquisitions

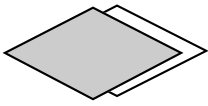


**Quazar Capital Corporation** is pleased to announce Felling Trailers, Inc. (“Felling Trailers” or “Company”) has acquired, in separate acquisitions as four individuals and the corporation, respectively, GPS Trailers (Bainbridge, GA) and Larson Cable Trailers (Huron, SD). Quazar Capital Corporation (“Quazar”) advised Felling Trailers in both transactions.

Felling Trailers decided to augment that Company’s organic growth with growth through acquisitions. The Shareholders selected Quazar as their exclusive Buy-side M&A Adviser primarily due to Quazar’s unique buy-side process, extensive network, ability to reach strategic targets, industry expertise, and reputation for successfully working with privately-held businesses.

After a strategic outreach campaign, Quazar identified numerous synergistic opportunities for Felling Trailers. Ultimately, the family leadership of Felling Trailers decided to pursue acquisitions of both GPS Trailers and Larson Cable Trailers. In both acquisitions, the Company found favorable geographic synergies and product lines which augmented the Company’s current suite of products.

“We did not expect to get two acquisitions completed so quickly, and we are thankful for Quazar’s help in making both deals happen. When potential roadblocks arose, Quazar was quick to offer up creative solutions. Quazar’s experience in buy-side advisory was invaluable throughout both acquisitions. As for the future, we could not be more excited to welcome Larson Cable Trailers into the Felling Trailers family



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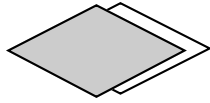
and for me, Bonnie, Pat and Paul to expand another venture with GPS Trailers. We are excited to do great things together.” – Brenda Jennissen, CEO of Felling Trailers

**Felling Trailers** ([felling.com](http://felling.com)) is a family-owned and operated Full Line Trailer Manufacturer. Felling Trailers currently manufactures over 5,500 trailers a year ranging from a 3,000 lb. utility trailer to a 120,000 lb. hydraulic gooseneck trailer. The Company was founded in 1974 and is located in Central Minnesota.

**GPS Trailers** ([gpstrailers.net](http://gpstrailers.net)) is a growing Trailer Manufacturer providing products to the leading trailer dealerships in the Southeast US. GPS manufactures Gated Trailers, Car Haulers, and Equipment Haulers. The Company was founded in 2018, was located in Bainbridge, Georgia and is currently relocating to Thomasville, Georgia.

**Larson Cable Trailers** ([larsoncabletrailers.com](http://larsoncabletrailers.com)) is a Trailer Manufacturer providing solutions to the Fiber Optic Cable and Power Industries. The Company was founded in 2000 and is located in Huron, South Dakota.

**Quazar Capital Corporation** ([quazarcapital.com](http://quazarcapital.com)) is a Minneapolis-based Investment Bank founded in 1990. Quazar Capital specializes in working within various Industries, including: Manufacturing, Software, Technology, Financial Services, Construction, Agriculture, Distribution, and Business Services. Quazar generally works with privately-owned businesses with EBITDA between \$2 million and \$10 million.



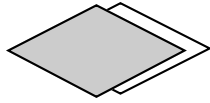
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## Selected Transactions: Recent Industry M&A Activity

M&A Transaction Close Date	Target/Issuer	Total Transaction Value (\$USDmm)	Buyers/Investors
08/10/2021	Dayton Parts, LLC	\$338.0	Dorman Products, Inc.
07/01/2021	Navistar International Corporation	\$9,414.7	Dusk Inc.
03/02/2021	Southland Mobile Home Community	\$19.3	The BoaVida Group
02/17/2021	OSW Equipment & Repair, LLC	\$53.5	Federal Signal Corporation
12/18/2020	Tiffin Motorhomes/Vanleigh/Water-Way/Wynne Enterprises/Tiffin Door/Roma Enterprises/Drive-A-Way/TVL	\$300.0	Thor Industries, Inc.
11/23/2020	Goodyear Air Springs	\$39.5	Backcast Partners, LLC; Turnspire Capital Partners LLC
06/15/2020	Canadian Commercial Vehicles Corp.	\$1.3	1252256 B.C. Ltd.
06/02/2020	Four Mesa Mobile Home Parks	\$230.0	The Carlyle Group Inc.
06/01/2020	R. H. Sheppard Co., Inc.	\$149.5	Bendix Commercial Vehicle Systems LLC
09/09/2019	Fortress Resources, LLC	\$90.1	Spartan Motors USA, Inc.
09/21/2018	Sigma Industries Inc.	\$23.1	10854611 Canada Inc.
09/27/2017	Supreme Industries, Inc.	\$367.4	Wabash National Corporation
09/19/2017	R. H. Sheppard Co., Inc.	\$145.0	WABCO Holdings Inc.
08/31/2017	Fabco Holdings, Inc.	\$34.0	Meritor, Inc.
06/16/2017	United Welding Services Inc.	\$21.5	CURT Manufacturing LLC
06/02/2017	Truck Bodies & Equipment International, Inc.	\$270.0	Federal Signal Corporation
06/01/2017	International Road Dynamics Inc.	\$53.3	Quarterhill Inc.
04/13/2017	Midwest Automotive Designs, LLC	\$35.4	REV Group, Inc.
04/03/2017	Velvac Inc.	\$39.5	The Eastern Company
11/08/2016	Grand Design RV, LLC	\$503.1	Octavius Corporation
09/30/2016	Travis Body & Trailer, Inc.	\$50.5	Truck Bodies & Equipment International, Inc.
07/15/2016	Dejana Truck & Utility Equipment Company, LLC	\$206.0	Douglas Dynamics, Inc.
06/30/2016	Jayco, Inc.	\$582.0	Thor Industries, Inc.
04/22/2016	Kovatch Mobile Equipment Corp.	\$39.6	REV Group, Inc.
04/15/2016	Laydon Composites Ltd.	\$31.4	WABCO Holdings Inc.

Source: Capital IQ



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## Selected Transactions: Recent Industry M&A Activity (without disclosed value)

M&A Transaction Close Date	Target/Issuer	Buyers/Investors
10/13/2021	Bull Head Products Inc	ILUS International Inc.
09/16/2021	Boise Mobile Equipment, Inc.	Pierce Manufacturing, Inc.
07/30/2021	Able Manufacturing & Assembly LLC	National Composites Inc
07/08/2021	Jobsite Trailer Corp.	Aries Building Systems, LLC
03/24/2021	Crane Carrier Company	Battle Motors, Inc.
01/29/2021	Bedard Tankers Inc.	TREMCAR INC.
12/31/2020	ALCOM, LLC	Valley Ridge Investment Partners; Landon Capital Partners, LLC
12/22/2020	Nevo Motors, Inc.	Aemetis Properties Riverbank, Inc.
11/23/2020	RV Quick Shades	Active RV Upholstery Center
11/20/2020	Substantially All Assets of Challenger Door, LLC	Lippert Components, Inc.
11/02/2020	Midsota Manufacturing, Inc.	Novae Corp.
10/01/2020	ATRO Engineered Systems, Inc.	Alitus Partners, LLC
06/01/2020	Aftersort, Inc.	FMH Conveyors LLC
02/18/2020	Stargate Manufacturing Inc.	Hugo Corporation
01/28/2020	KT Pacer	Warren Manufacturing, Inc.
12/17/2019	Truck-Lite Co., LLC	Genstar Capital, LLC
12/02/2019	Fenders N' More	Rockwell American Manufacturing Company
11/06/2019	SNF, Inc.	Versalift
09/17/2019	Nexus RV LLC	A & F Realty LLC
07/16/2019	Truck Enterprises, Inc.	Doggett Equipment Services Ltd.
05/10/2019	Northend Truck Equipment Inc.	OSW Equipment & Repair, LLC
04/09/2019	Vantage Trailers, Inc.	Dragon Products, LTD
04/03/2019	Accuform Manufacturing, Inc.	Justrite Mfg. Co., L.L.C.
03/12/2019	RR Manufacturing, LLC And Rocky Ridge Transportation, LLC	Kinderhook Industries, LLC
03/01/2019	Diamond Z Trailer, Inc.	Screen Machine Industries, Inc.
10/03/2017	Off Grid Trailers	KV Capital Inc.
08/11/2017	Cam Superline, Inc.	Novae Corp.
04/03/2017	Towmaster, Inc.	Monroe Truck Equipment, Inc.
04/12/2016	JC Trailers Equipment Ltd.	Gin-Cor Industries Inc.

Source: Capital IQ