



FEDERAL SIGNAL

Moves. Cleans. Protects.



Federal Signal Announces Acquisition of New Way Trucks

September 25, 2025

Safe Harbor Statement

This presentation contains unaudited financial information and forward-looking statements. Statements that are not historical are forward-looking statements and may contain words such as “may,” “will,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “project,” “estimate,” and “objective” or similar terminology, concerning the Company’s future financial performance, business strategy, plans, goals and objectives. These expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include information concerning the Company’s possible or assumed future performance or results of operations and are not guarantees. Forward-looking statements should not be relied upon as a predictor of actual results. While these statements are based on assumptions and judgments that management has made in light of industry experience as well as perceptions of historical trends, current conditions, expected future developments and other factors believed to be appropriate under the circumstances, they are subject to risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different. Such risks and uncertainties include but are not limited to: our ability to successfully close and implement the acquisition of New Way, our ability to achieve anticipated revenue and cost benefits associated with the New Way acquisition, economic and political uncertainty, risks and adverse economic effects associated with geopolitical conflicts including tariffs and other trade conflicts, legal and regulatory developments, foreign currency exchange rate changes, inflationary pressures, product and price competition, supply chain disruptions, availability and pricing of raw materials, interest rate changes, risks associated with acquisitions such as integration of operations and achieving anticipated revenue and cost benefits, work stoppages, increases in pension funding requirements, cybersecurity risks, increased legal expenses and litigation results, and other risks and uncertainties described in filings with the Securities and Exchange Commission (“SEC”). Such forward-looking statements are made as of the date hereof and we undertake no obligation to update these forward-looking statements regardless of new developments or otherwise.

As used herein, “GAAP” refers to accounting principles generally accepted in the United States of America. This presentation includes certain non-GAAP measures, as defined under SEC rules, which are defined in the Appendix to this presentation. The non-GAAP financial information presented herein should be considered supplemental to, and not a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company has provided this supplemental information to investors, analysts, and other interested parties to enable them to perform additional analyses of operating results, and to provide an additional measure of performance which management considers in operating the business.



*New Way ROTO PAC®
Automated Side Loader*

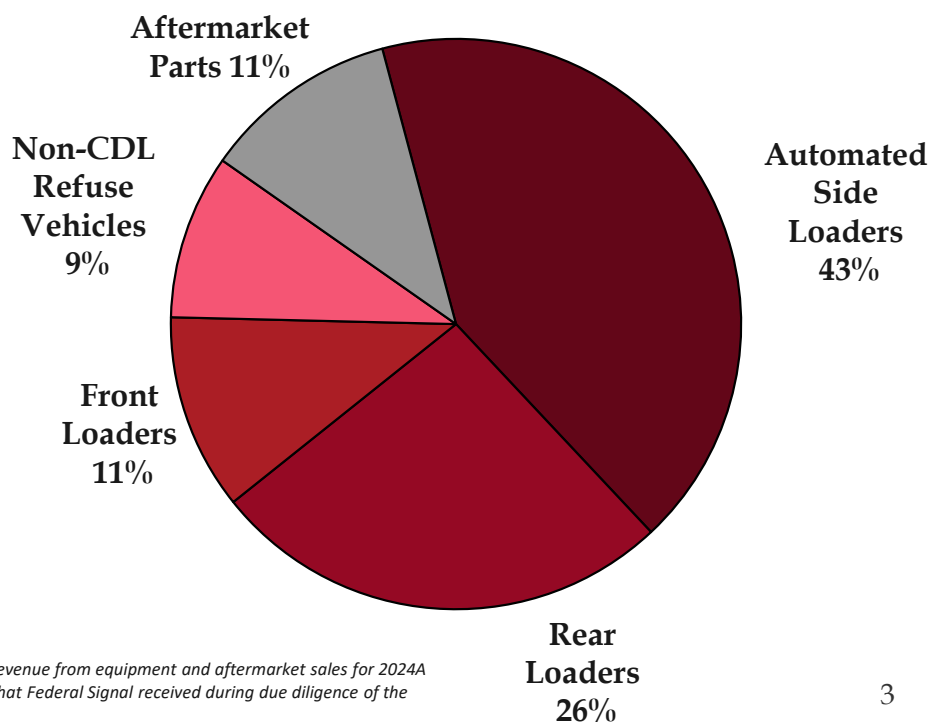
New Way is a Leader in U.S. Refuse Collection Vehicles & Aftermarket Parts

- Scranton Manufacturing Company Inc. d/b/a New Way Trucks (“New Way”) is a U.S.-based leader in the design and manufacture of refuse collection vehicles serving the solid waste industry
- New Way garners the #1 position in automated side loaders (“ASLs”) and municipal sales in the United States¹ with a strong network of distributors
- New Way boasts a proven history of strong organic growth, top-line resilience through economic cycles, and improving margins
- New Way offers complementary parts capabilities that drive recurring aftermarket revenue and ensure long-term customer support

Extensive Refuse Collection Product Portfolio



New Way Revenue by Product Type¹ (2024A)



~\$249 Million
2024 Revenue²

~\$36 Million
2024 Adjusted EBITDA³

Double Digit %
Long-Term Revenue
CAGR (2015-2024)

5
U.S. Manufacturing
Plants (IA & MS)

~45%
Percent of Revenue (%)
from Municipalities
(2024A)

**#1 in U.S. Automated
Side Loaders¹**

1) Source: Management Estimates. Revenue by product type only includes revenue from equipment and aftermarket sales for 2024A
2) Based on financial information and management accounts of New Way that Federal Signal received during due diligence of the New Way acquisition
3) Non-GAAP measure. Based on financial information that Federal Signal received during due diligence of the New Way acquisition

Transaction Overview

Purchase Price

- Initial consideration of \$396 million to acquire New Way on a cash-free, debt-free basis, and an additional \$30 million to acquire New Way's manufacturing facilities and associated real estate rights in Iowa and Mississippi
- When adjusted for the present value of anticipated tax benefits, currently estimated at ~\$60 million, the combined initial purchase price represents a multiple of ~11x New Way's projected 2026 EBITDA¹, reflecting the impact of various planned investments and integration and optimization initiatives, including deployment of Federal Signal's chassis and inventory management best practices, and a multiple of approximately ~7x New Way's projected 2028 EBITDA¹, inclusive of expected synergies
- Transaction also includes an additional contingent earn-out opportunity of up to \$54 million, based on the achievement of certain specified financial targets over a two-year period

Financial Impact & Synergies

- Expect transaction to be neutral to 2026 EPS, reflecting planned business investments, integration and optimization initiatives, higher interest cost, and anticipated purchase accounting effects, including a preliminary estimate of intangible asset amortization expense
- Expect transaction to be EPS accretive in subsequent years, with anticipated EPS accretion of between \$0.40 and \$0.45 in 2028, including annual run-rate synergies of between \$15 million and \$20 million, currently expected to be substantially realized by the end of 2028
- Anticipated synergies span both cost and revenue; realized through Federal Signal's specialty vehicle platform
- Expect EBITDA margins to be within our Environmental Solutions Group's 18-24% target range longer term
- Refuse collection is a new specialty vehicle vertical for growth (organic + inorganic)

Financing

- 100% cash consideration expected to be financed with a combination of cash on hand and availability under credit facility
- Pro-forma net debt leverage¹ is currently expected to be less than 1.5x upon completion of acquisition (including estimated transaction costs of ~\$10 million)

Timing

- Anticipated closing in the fourth quarter of 2025
- Transaction is subject to regulatory approval and customary closing conditions

New Way Acquisition Aligns with Federal Signal's M&A Target Criteria

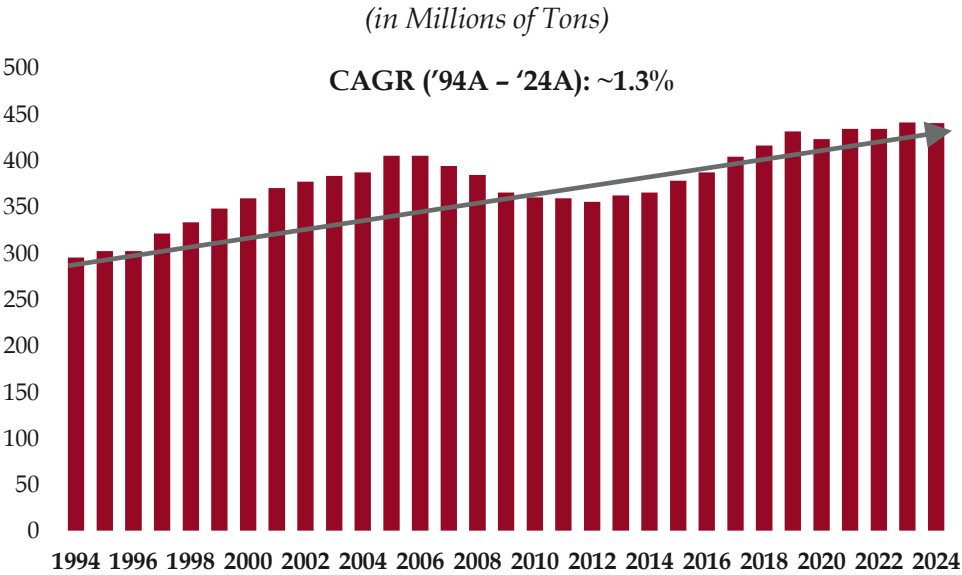
M&A Target Criteria

- ✓ Return on capital greater than cost of capital, risk adjusted
- ✓ Niche marketplace leader
- ✓ Sustainable competitive advantage
- ✓ Deep domain expertise (technology, application, manufacturing)
- ✓ Strong management team
- ✓ Leverages existing distribution & manufacturing capabilities
- ✓ Growth potential
- ✓ Opportunity for through-cycle margins in line or higher than FSS targets
- ✓ Identifiable synergies

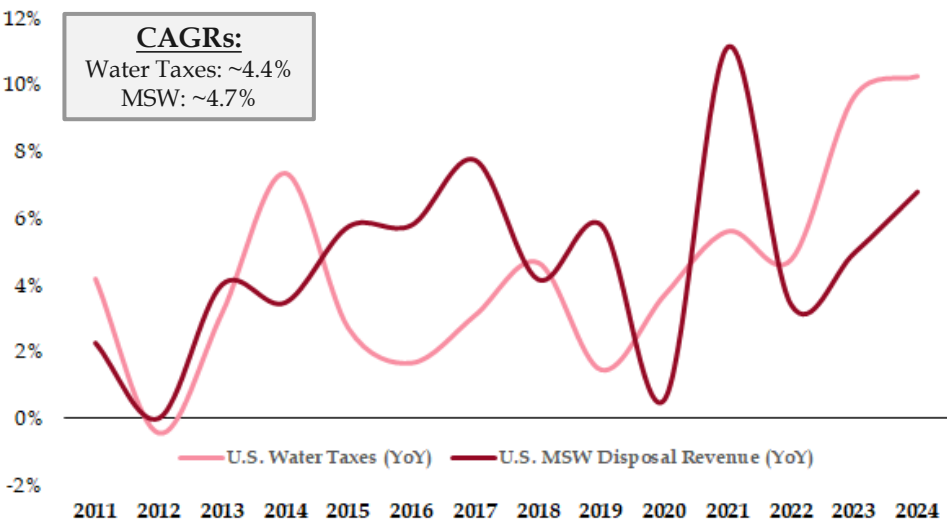
Federal Signal is Well Positioned to Capitalize on the Evolving Waste Collection Landscape

- Federal Signal brings deep industry expertise and a proven presence in the refuse vehicle market through established customer relationships via its Joe Johnson Equipment distribution network
- Key members of New Way management team will remain part of the leadership team post transaction
- Existing Federal Signal refuse leadership team boasts a combined ~100+ years of refuse industry experience

U.S. Municipal Solid Waste ("MSW") Volumes¹



Recession Resilient Industry Characteristics²



New Way/FSS Combination is Well Positioned for Long-Term Outsized Growth

Secular Tailwinds Driving Adoption of ASLs

Labor Efficiency

Side loaders require a single operator vs. 2-3 for a traditional rear loader, reducing labor requirements and labor costs for haulers while increasing stops per day by 1.5x+ (route efficiency)



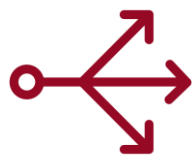
Safety Improvements

Fully automated collection allows the operator to remain inside the truck, eliminating ride-along crews and substantially decreasing injury risk (50%+)



Multi-Stream Collection

Regulatory spread of recycling mandates encourages adoption of vehicles built to handle multiple waste streams

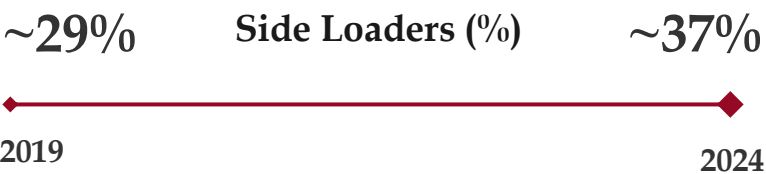


Fleet Standardization

Haulers and municipalities are modernizing fleets to side loaders for operational consistency



Side Loaders as a Percent of Total Industry Refuse Collection Vehicles Sold¹ & New Way Share Growth

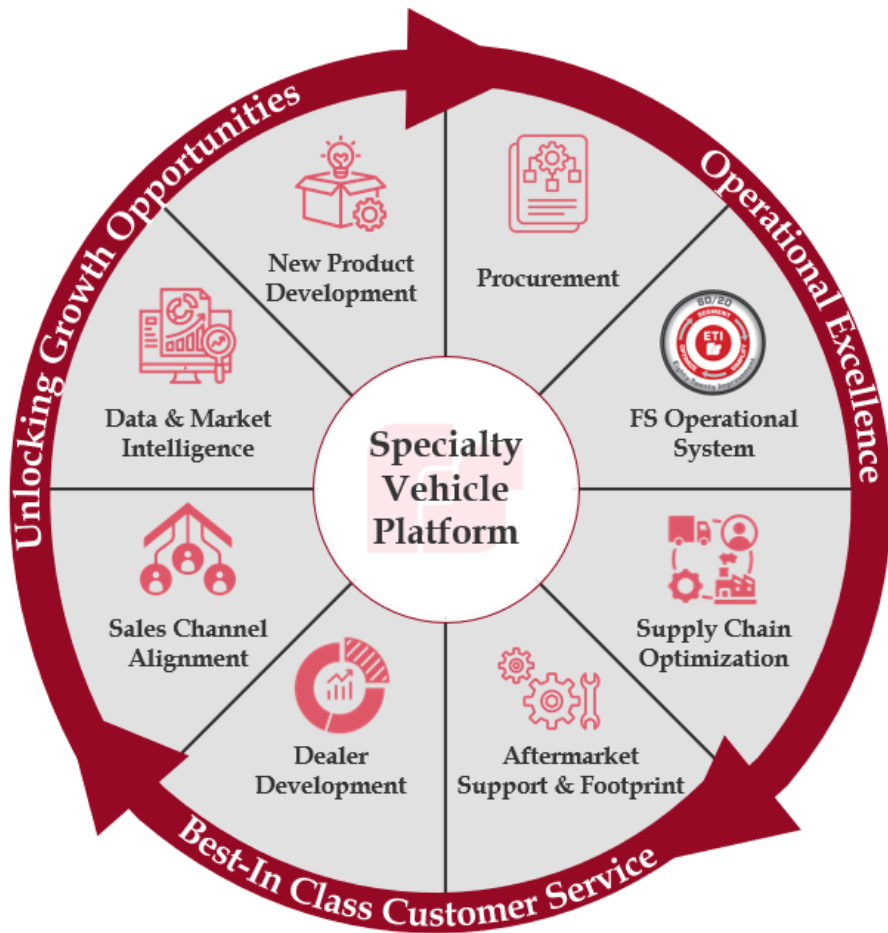


New Way
Sidewinder®
Automated
Side Loader

➤ New Way holds the #1 U.S. position in Automated Side Loaders, aligning with FSS's track record of leadership across its businesses

1) Source: NWRA, Management Estimates

Driving Synergy Opportunities Through the Power of our Specialty Vehicle Platform



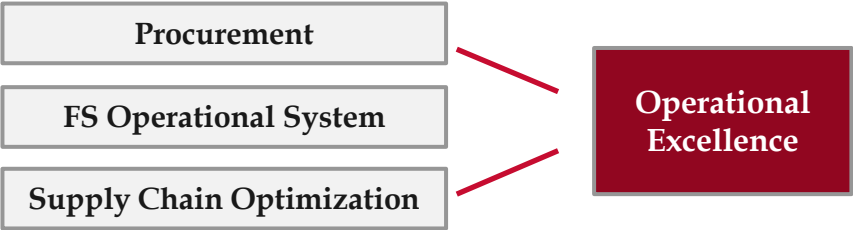
Annual EBITDA Synergy Expectations¹:

- Operational Excellence
- Best-In-Class Customer Service
- Unlocking Growth Opportunities

Total Annual Power of the Platform
Synergies (expected by 2028)

Anticipated
\$15M-\$20M

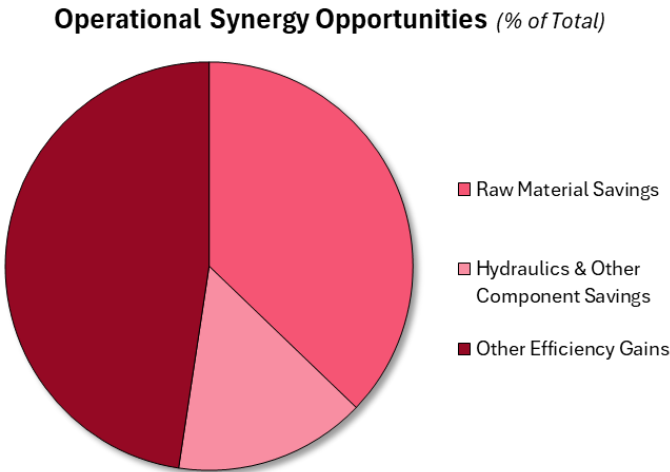
Synergy Opportunity: Operational Excellence



Key Identified Opportunities:

- Drive procurement savings through combined spend and supplier consolidation
- Apply the Federal Signal Operating System to streamline product lines and enhance profitability
- Execute rigorous 80/20 improvement plan aimed at product simplification, enhancing customer service and expanding manufacturing efficiencies
- Enhance supply chain efficiency with expanded sourcing, improved logistics, and working capital discipline
- Optimize manufacturing efficiencies via combination of labor efficiency gains, safety improvements and targeted automation opportunities
- Target synergy realization ramping over three years with full synergies expected to be substantially realized by the end of 2028

New Way/Federal Signal Operational Synergy Opportunity



Demonstrated Success Capturing Operational Synergies through M&A: Ox Bodies (Dump Trucks)

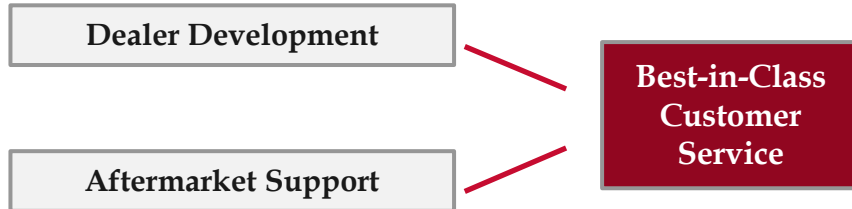


Completed an 80/20 product line simplification for Ox Bodies in 2023

Immediate Impact: ~90% reduction in SKUs for standard dump body offerings

Results: Expanded Ox EBITDA margins¹ by ~830+ bps from 2022-2024 partially due to operational efficiencies and lower procurement spend

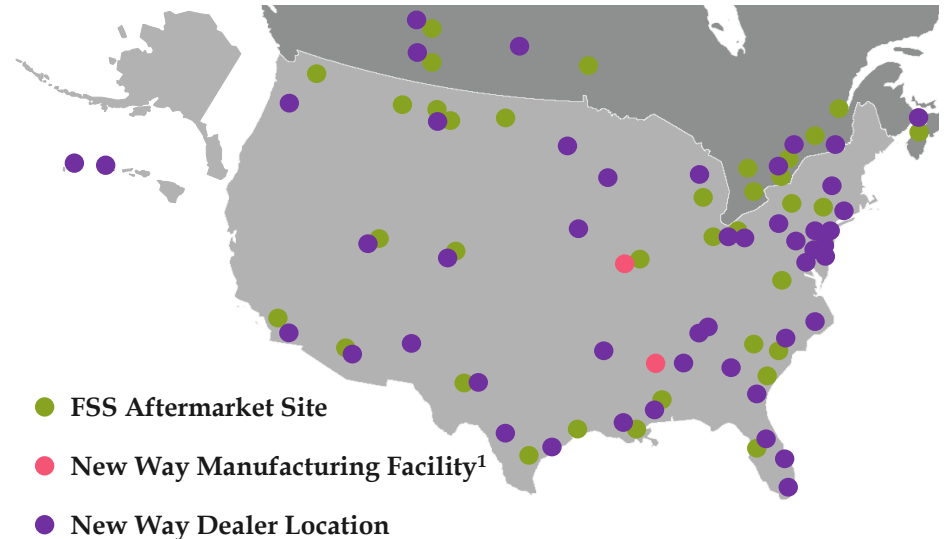
Synergy Opportunity: Best-In-Class Customer Service



Key Identified Opportunities:

- Leverage Federal Signal's existing aftermarket footprint of 35+ North American locations and capabilities to drive higher recurring parts and service revenue at New Way
- Increase internal parts production capabilities to realize increased parts capture within refuse collection space
- Capitalize on parts opportunities within New Way's growing installed base of refuse vehicles
- New Way and Federal Signal share a number of exclusive dealers; opportunities to strengthen New Way's exclusive dealer channel, targeting best-in-class coverage across North America and increase service responsiveness
- Penetrate historically underserved Canadian market for New Way through Federal Signal's direct Joe Johnson (JJE) distribution network
- Target synergy realization ramping over three years with full synergies expected to be substantially realized by the end of 2028

New Way/Federal Signal Combined Aftermarket Footprint



Demonstrated Success Capturing Synergies through Best-In-Class Customer Service: Trackless Vehicles

Trackless
VEHICLES
SUBSIDIARY OF FEDERAL SIGNAL CORPORATION



Completed initial dealer optimization and aftermarket integration in 2023

Immediate Impact: Increased Trackless' reach in key underserved territories across U.S. + Canada

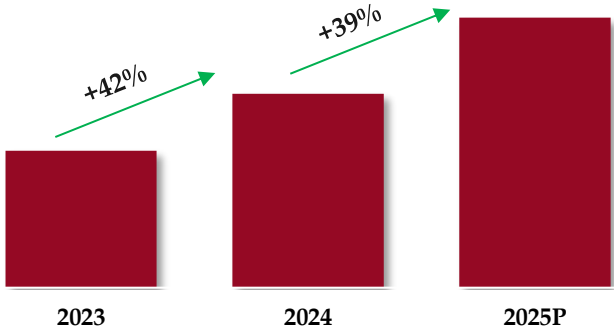
Results: Achieved 30%+ YoY net sales growth in YR1 of ownership

Synergy Opportunity: New Way Aftermarket Parts Expansion

New Way Parts Expansion Opportunity¹

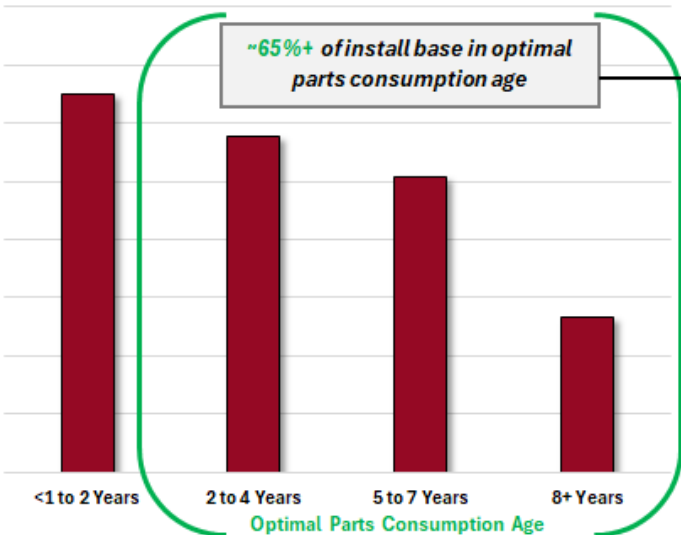
- Targeting aftermarket parts mix as a percentage of sales to improve from ~11% (2024 actual) to **mid-to-high teens % of New Way revenue by 2028**
- We believe an opportunity exists to capitalize on New Way's growing installed base of refuse trucks; while leveraging Federal Signal's North American aftermarket footprint to drive higher capture rates
- See additional opportunities to leverage Federal Signal's "Build More Parts Initiative" (vertical integration of certain parts production) to expand into New Way's addressable refuse parts market

Federal Signal "Build More Parts" Net Sales Growth:



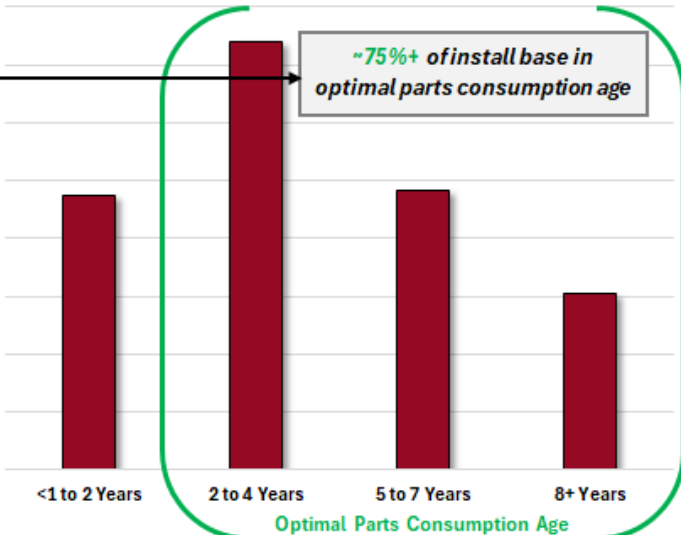
New Way Active Install Base by Age Cohort - Today

Expressed as % of Total <10 Year Install Base

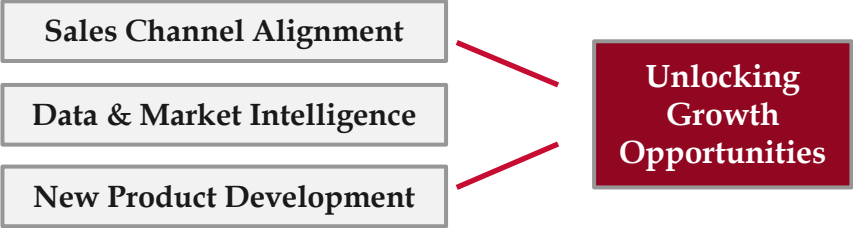


New Way Active Install Base by Age Cohort - 2028

Expressed as % of Total <10 Year Install Base



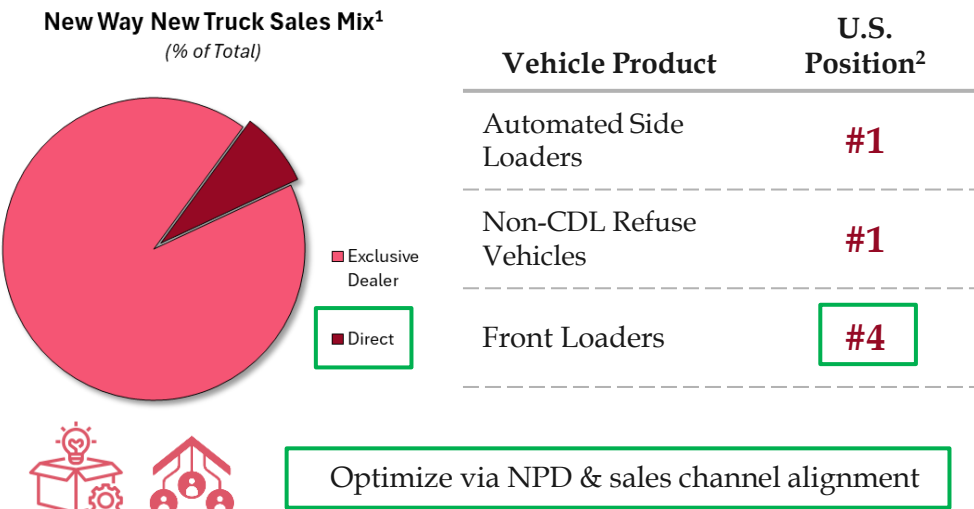
Synergy Opportunity: Unlocking Growth



Key Identified Opportunities:

- Optimize sales channel and increase direct sales opportunities into private haulers that have historically been underserved by New Way
- Drive cross-selling opportunities across exclusive FSS and New Way sales channels
- Accelerate new product development efforts at New Way. Identify key new product development opportunities within the front-loader product line, non-CDL offerings, and telematics initiatives
- Leverage Federal Signal’s market intelligence tools to drive increased municipal bid opportunities earlier in the bid process
- Target synergy realization ramping over three years with full synergies expected to be substantially realized by the end of 2028

New Way/Federal Signal Growth Opportunities



Demonstrated Success Unlocking Growth Opportunities through M&A: Ground Force & TowHaul















































Completed initial sales alignment and NPD acceleration efforts in 2023/24

Immediate Impact: Drove a ~15% increase in distribution partners and optimized several product lineups (water, fuel lube bodies)

Results: Grew combined sales by >70% since 2022 while expanding margins³

1) Source: Management Estimates
2) Source: NWRRA, Management Estimates
3) Represents the timeframe from the completion of the TowHaul acquisition in 4Q 2022 through 2Q 2025

The Refuse Industry Will Represent a New Specialty Vehicle Growth Vertical

ESG (84% of 2024 Net Sales) ¹									SSG (16% of 2024 Net Sales)		
Vacuum Trucks	Street Sweepers	Industrial Cleaning	Dump Truck Bodies & Trailers	Refuse Collection	Multi-Purpose Maint. Vehicles	Road Marking	Metal Extraction Support	Aftermarket	Public Safety Equipment	Signaling	Warning Systems
    	 	 	  <small>Subsidiary of Federal Signal Corporation</small>        	  <small>Spring, the difference</small>	 	  <small>MRL EQUIPMENT COMPANY, INC.</small>   	  	   	   	  	 
Key End Markets	Key End Markets	Key End Markets	Key End Markets	Key End Markets	Key End Markets	Key End Markets	Key End Markets	Key End Markets	Key End Markets	Key End Markets	Key End Markets
Gov't	Gov't	Gov't	Gov't	Gov't	Gov't	Gov't	Gov't	Gov't	Gov't	Gov't	Gov't
Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial	Industrial
Oil & Gas	Oil & Gas	Oil & Gas	Oil & Gas	Oil & Gas	Oil & Gas	Oil & Gas	Oil & Gas	Oil & Gas	Oil & Gas	Oil & Gas	Oil & Gas
Utility	Utility	Utility	Utility	Utility	Utility	Utility	Utility	Utility	Utility	Utility	Utility

- The acquisition of New Way will represent a new specialty vehicle growth vertical for FSS, including both organic and inorganic opportunities

Appendix: Non-GAAP Financial Measures

As used herein, "GAAP" refers to accounting principles generally accepted in the United States of America. This presentation includes certain non-GAAP measures, as defined under SEC rules, which are defined below. The non-GAAP financial information presented herein should be considered supplemental to, and not a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company has provided this supplemental information to investors, analysts, and other interested parties to enable them to perform additional analyses of operating results, and to provide an additional measure of performance which management considers in operating the business.

Earnings Before Interest, Tax, Depreciation, and Amortization ("EBITDA")

EBITDA represents the total of net income, interest expense, net, acquisition and integration-related expenses, net, purchase accounting effects, other expense, net, income tax expense, and depreciation and amortization expense, as applicable, for the applicable period(s).

EBITDA Margin

EBITDA Margin represents EBITDA divided by net sales, for the applicable period(s).

Net Debt Leverage

The Company's net debt leverage ratio is calculated as net debt (total borrowings and finance lease obligations less cash and cash equivalents) divided by trailing twelve-month EBITDA.

The Company is unable to provide forward-looking quantitative reconciliation of these forward-looking non-GAAP financial measures to any GAAP measure because the Company is unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort. These items are uncertain, depend on various factors and could have a material impact on GAAP reported results for the relevant periods. These forward-looking non-GAAP financial measures reflect management's current expectation and beliefs regarding the potential benefits of the proposed transaction.