



NEWS RELEASE

# Daseke Announces Term Loan Refinancing and Credit Rating Upgrades

3/10/2021

New Covenant-lite Term Loan Extends Maturity to 2028 and Reduces Annual Cash Interest

Moody's and S&P Global Upgrade Daseke's Rating to "B2" and "B", respectively

ADDISON, Texas, March 10, 2021 (GLOBE NEWSWIRE) -- Daseke, Inc. (NASDAQ: DSKE) ("Daseke" or the "Company"), the largest flatbed, specialized transportation and logistics solutions company in North America, announced today that it has refinanced its existing \$484 million Term Loan B due February 2024 with a new \$400 million Term Loan B and available cash. The new Term Loan B, maturing in March 2028 has a floating interest rate of LIBOR + 400 basis points, which is reduced from LIBOR + 500 basis points (the LIBOR floor was also reduced from 100 basis points to 75 basis points). The transaction closed on March 9, 2021. In addition, the Company will seek an amendment to its ABL credit agreement to increase maximum commitments thereunder from \$100 million to \$150 million, with a \$50 million uncommitted accordion.

## Transaction Highlights:

- Company to utilize \$84 million of its \$176 million cash and cash equivalents balance as of December 31, 2020 to pay down debt, which was driven by excess cash generated from operations over the course of the previous year
- Significantly reduced cash interest expense under new Term Loan
- Extends maturity on the Company's debt from 2024 to 2028

- Creates additional financial flexibility through improved covenant-lite structure
- Further strengthens the balance sheet and provides capacity for organic and strategic growth investments
- Upon close, the Company's estimated net debt leverage ratio as defined by its credit agreement will be approximately 2.7x based on the terms of the credit agreement

"We are pleased with the improved terms of the new Term Loan B, which were supported by the Company's improved economic performance and unique competitive positioning," commented Jason Bates, Chief Financial Officer of Daseke. "Execution against our strategic plan over the last six quarters has significantly enhanced our operational and financial performance, and helped us fortify our balance sheet and meaningfully improve credit metrics. Given the attractive market backdrop, we believe now was the opportune time to utilize our strong cash position to reduce the Company's funded leverage. Additionally, Daseke's strengthening credit profile has been recognized by ratings agencies, and the completion of this refinancing further extends our financial flexibility, particularly given the improved pricing and covenant-lite structure. The better cost of debt capital and greater financial flexibility under the new Term Loan will help serve strategic needs and the pursuit of accretive growth opportunities. We remain committed to further advancing our business transformation and driving sustainable top-line and profitability growth."

In connection with the refinancing, on February 23, 2021, Moody's Investment Services ("Moody's") upgraded Daseke's corporate family and senior secured ratings to "B2" from "B3," and S&P Global ("S&P") provided a one-notch upgrade Daseke's issuer credit family and term loan ratings to "B".

JPMorgan Chase Bank, N.A. served as exclusive arranger and sole bookrunner for Daseke in executing this transaction.

About Daseke, Inc.

Daseke, Inc. is the largest flatbed and specialized transportation and logistics company in North America. Daseke offers comprehensive, best-in-class services to many of the world's most respected industrial shippers through experienced people, a fleet of more than 5,000 tractors and 11,500 flatbed and specialized trailers. For more information, please visit [www.daseke.com](http://www.daseke.com).

Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "may," "will," "expect," "anticipate," "continue," "estimate," "project," "believe," "plan," "should," "could," "would," "forecast," "seek,"

“target,” “predict,” and “potential,” the negative of these terms, or other comparable terminology. Projected financial information, including our guidance outlook, are forward-looking statements.

These forward-looking statements are based on information available as of the date of this release, and current expectations, forecasts and assumptions. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that the Company anticipates. In particular, the Company makes no assurances that its ABL credit facility will be amended as currently expected. Accordingly, forward-looking statements should not be relied upon as representing the Company’s views as of any subsequent date, and the Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements.

The effect of the COVID-19 pandemic may remain prevalent for a significant period of time and may continue to adversely affect the Company’s business, results of operations and financial condition even after the COVID-19 pandemic has subsided and “stay at home” mandates have been lifted. The extent to which the COVID-19 pandemic impacts the Company will depend on numerous evolving factors and future developments that it cannot predict. There are no comparable recent events that provide guidance as to the effect the COVID-19 global pandemic may have, and, as a result, the ultimate impact of the pandemic is highly uncertain and subject to change. Additionally, the Company will regularly evaluate its capital structure and liquidity position. From time to time and as opportunities arise, the Company may access the debt capital markets and modify its debt arrangements to optimize its capital structure and liquidity position.

Forward-looking statements are subject to risks and uncertainties (many of which are beyond our control) that could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to, general economic and business risks, such as downturns in customers’ business cycles and disruptions in capital and credit markets, the impact to the Company’s business and operations resulting from the COVID-19 pandemic, the Company’s ability to execute and realize all of the expected benefits of its integration, business improvement and comprehensive restructuring plans, the Company’s ability to complete planned or future divestitures successfully, the Company’s ability to adequately address downward pricing and other competitive pressures, driver shortages and increases in driver compensation or owner-operator contracted rates, loss of senior management or key operating personnel, our ability to realize intended benefits from its recent or future acquisitions, seasonality and the impact of weather and other catastrophic events, fluctuations in the price or availability of diesel fuel, increased prices for, or decreases in the availability of, new revenue equipment and decreases in the value of used revenue equipment, the Company’s ability to generate sufficient cash to service all of the Company’s indebtedness, restrictions in its existing and future

debt agreements, increases in interest rates, changes in existing laws or regulations, including environmental and worker health safety laws and regulations and those relating to tax rates or taxes in general, the impact of governmental regulations and other governmental actions related to the Company and its operations, litigation and governmental proceedings, and insurance and claims expenses. You should not place undue reliance on these forward-looking statements. For additional information regarding known material factors that could cause our actual results to differ from those expressed in forward-looking statements, please see Daseke's filings with the Securities and Exchange Commission, available at [www.sec.gov](http://www.sec.gov), including Daseke's most recent annual report on Form 10-K, and subsequent quarterly reports on Form 10-Q, particularly the section titled "Risk Factors."

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Source: Daseke, Inc.