

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2019
OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-10883

WABASH NATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

1000 Sagamore Parkway South,
Lafayette, Indiana
(Address of Principal
Executive Offices)



52-1375208
(IRS Employer
Identification Number)

47905
(Zip Code)

Registrant's telephone number, including area code: (765) 771-5300

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

The number of shares of common stock outstanding at April 25, 2019 was 55,426,357.

WABASH NATIONAL CORPORATION
FORM 10-Q

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Part I - FINANCIAL INFORMATION
Item 1. Financial Statements

WABASH NATIONAL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	March 31, 2019	December 31, 2018
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 151,916	\$ 132,690
Accounts receivable, net	185,745	181,064
Inventories	256,980	184,404
Prepaid expenses and other	52,669	51,261
Total current assets	647,310	549,419
Property, plant, and equipment, net	206,719	206,991
Goodwill	311,049	311,084
Intangible assets	205,232	210,328
Other assets	38,322	26,571
Total assets	\$ 1,408,632	\$ 1,304,393
Liabilities and Stockholders' Equity		
Current Liabilities:		
Current portion of long-term debt	\$ 1,880	\$ 1,880
Current portion of finance lease obligations	313	299
Accounts payable	231,168	153,113
Other accrued liabilities	127,222	116,384
Total current liabilities	360,583	271,676
Long-term debt	502,757	503,018
Finance lease obligations	625	714
Deferred income taxes	32,624	34,905
Other non-current liabilities	28,437	20,231
Total liabilities	925,026	830,544
Commitments and contingencies		
Stockholders' equity:		
Common stock 200,000,000 shares authorized, \$0.01 par value, 55,424,133 and 55,135,788 shares outstanding, respectively	749	744
Additional paid-in capital	631,674	629,039
Retained earnings	160,512	150,244
Accumulated other comprehensive losses	(3,859)	(3,343)
Treasury stock at cost, 19,555,383 and 19,372,735 common shares, respectively	(305,470)	(302,835)
Total stockholders' equity	483,606	473,849
Total liabilities and stockholders' equity	\$ 1,408,632	\$ 1,304,393

The accompanying notes are an integral part of these Condensed Consolidated Statements.

WABASH NATIONAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Net sales	\$ 533,174	\$ 491,319
Cost of sales	464,484	427,200
Gross profit	68,690	64,119
General and administrative expenses	30,140	25,109
Selling expenses	8,223	8,345
Amortization of intangible assets	5,129	4,941
Acquisition expenses	—	68
Income from operations	25,198	25,656
Other income (expense):		
Interest expense	(7,090)	(7,454)
Other, net	(169)	7,916
Other expense, net	(7,259)	462
Income before income tax	17,939	26,118
Income tax expense	3,159	4,846
Net income	<u>\$ 14,780</u>	<u>\$ 21,272</u>
Net income per share:		
Basic	\$ 0.27	\$ 0.37
Diluted	\$ 0.27	\$ 0.35
Weighted average common shares outstanding (in thousands):		
Basic	55,268	57,793
Diluted	55,770	60,850
Dividends declared per share	\$ 0.080	\$ 0.075

The accompanying notes are an integral part of these Condensed Consolidated Statements.

WABASH NATIONAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Net income	\$ 14,780	\$ 21,272
Other comprehensive (loss) income, net of tax:		
Foreign currency translation adjustment and other	298	409
Unrealized loss on derivative instruments	(814)	—
Total other comprehensive (loss) income	(516)	409
Comprehensive income	<u>\$ 14,264</u>	<u>\$ 21,681</u>

The accompanying notes are an integral part of these Condensed Consolidated Statements.

WABASH NATIONAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2019	2018
Cash flows from operating activities		
Net income	\$ 14,780	\$ 21,272
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	5,420	5,163
Amortization of intangibles	5,129	4,941
Net loss (gain) on sale of property, plant and equipment	486	(6,013)
Loss on debt extinguishment	—	174
Deferred income taxes	(2,281)	(23)
Stock-based compensation	2,586	2,657
Non-cash interest expense	260	675
Accounts receivable	(4,681)	(45,910)
Inventories	(72,576)	(58,393)
Prepaid expenses and other	(1,279)	591
Accounts payable and accrued liabilities	84,770	63,943
Other, net	1,152	(1,120)
Net cash provided by (used in) operating activities	33,766	(12,043)
Cash flows from investing activities		
Capital expenditures	(6,802)	(6,060)
Proceeds from the sale of property, plant, and equipment	29	9,523
Other, net	—	3,060
Net cash (used in) provided by investing activities	(6,773)	6,523
Cash flows from financing activities		
Proceeds from exercise of stock options	55	861
Dividends paid	(4,627)	(4,692)
Borrowings under revolving credit facilities	140	254
Payments under revolving credit facilities	(140)	(254)
Principal payments under finance lease obligations	(75)	(71)
Principal payments under term loan credit facility	(470)	(471)
Principal payments under industrial revenue bond	—	(92)
Debt issuance costs paid	(15)	—
Convertible senior notes repurchase	—	(17,183)
Stock repurchase	(2,635)	(5,412)
Net cash used in financing activities	(7,767)	(27,060)
Cash and cash equivalents:		
Net increase (decrease) in cash, cash equivalents, and restricted cash	19,226	(32,580)
Cash, cash equivalents and restricted cash at beginning of period	132,690	191,521
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 151,916</u>	<u>\$ 158,941</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 2,403	\$ 2,094
Cash paid (received) for income taxes	\$ 111	\$ (845)

The accompanying notes are an integral part of these Condensed Consolidated Statements.

WABASH NATIONAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in thousands)
(Unaudited)

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Losses</u>	<u>Treasury Stock</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>					
Balances at December 31, 2018	55,135,788	\$ 744	\$ 629,039	\$ 150,244	\$ (3,343)	\$ (302,835)	\$ 473,849
Net income for the year				14,780			14,780
Foreign currency translation and other					298		298
Stock-based compensation	273,158	5	2,581				2,586
Stock repurchase						(2,635)	(2,635)
Equity component of convertible senior notes repurchase							—
Common stock dividends				(4,512)			(4,512)
Unrealized loss on derivative instruments, net of tax					(814)		(814)
Common stock issued in connection with:							
Stock option exercises	15,187		54				54
Balances at March 31, 2019	<u>55,424,133</u>	<u>\$ 749</u>	<u>\$ 631,674</u>	<u>\$ 160,512</u>	<u>\$ (3,859)</u>	<u>\$ (305,470)</u>	<u>\$ 483,606</u>

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Losses</u>	<u>Treasury Stock</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>					
Balances at December 31, 2017	57,564,493	\$ 737	\$ 653,435	\$ 98,728	\$ (2,385)	\$ (244,452)	\$ 506,063
Net income for the year				21,272			21,272
Foreign currency translation and other					409		409
Stock-based compensation	380,588	6	2,651				2,657
Stock repurchase						(5,412)	(5,412)
Equity component of convertible senior notes repurchase			(7,830)				(7,830)
Common stock dividends				(4,748)			(4,748)
Common stock issued in connection with:							
Stock option exercises	92,473	1	860				861
Balances at March 31, 2018	<u>58,037,554</u>	<u>\$ 744</u>	<u>\$ 649,116</u>	<u>\$ 115,252</u>	<u>\$ (1,976)</u>	<u>\$ (249,864)</u>	<u>\$ 513,272</u>

The accompanying notes are an integral part of these Condensed Consolidated Statements.

WABASH NATIONAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

The condensed consolidated financial statements of Wabash National Corporation (the “Company”) have been prepared without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, the accompanying condensed consolidated financial statements contain all material adjustments (consisting only of normal recurring adjustments) necessary to present fairly the consolidated financial position of the Company, its results of operations and cash flows. The condensed consolidated financial statements included herein should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 .

2. NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-2, *Leases (Topic 842)* . This update requires lessees to recognize, on the balance sheet, assets and liabilities for the rights and obligations created by leases of greater than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. We have identified our existing lease contracts and calculated the right of use assets, which are reflected in *Other Assets* on the Condensed Consolidated Balance Sheets, and lease liabilities, which are reflected in the *Other Accrued Liabilities and Other Non-Current Liabilities* on the Condensed Consolidated Balance Sheets. This guidance was effective for the Company as of January 1, 2019. Adoption of the new standard resulted in the recording of right-of-use assets and liabilities of \$9.9 million as of January 1. The FASB has issued further ASUs related to the standard providing an optional transition method allowing entities to not recast comparative periods. The Company elected the practical expedients upon transition that retained the lease classification and initial direct costs for any leases that exist prior to adoption of the standard. Wabash did not reassess whether any contracts entered into prior to adoption are leases. The Company has approximately \$12.1 million of noncancelable future rental obligations as of March 31, 2019, as shown in Note 8.

3. REVENUE RECOGNITION

The Company adopted Financial Accounting Standards Board Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Topic 606) effective January 1, 2018. The adoption of Topic 606 did not have a material impact on the consolidated financial statements. The Company recognizes revenue from the sale of its products when obligations under the terms of a contract with our customers are satisfied; this occurs with the transfer of control of our products and replacement parts or throughout the completion of service work. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring promised goods or services to a customer and excludes all taxes collected from the customer. Shipping and handling fees are included in *Net Sales* and the associated costs included in *Cost of Sales* in the Condensed Consolidated Statements of Operations. For shipping and handling costs that take place after the transfer of control, the Company is applying the practical expedient and treating it as a fulfillment cost. Incidental items that are immaterial in the context of the contract are recognized as expense. For performance obligations satisfied over time, which include certain equipment-related sales within our Diversified Products reportable segment that have no alternative use and contain an enforceable right to payment, as well as service work whereby the customer simultaneously receives and consumes the benefits provided, the Company recognizes revenue on the basis of the Company’s efforts or inputs to the satisfaction of these performance obligations, measured by actual total cost incurred to the total estimated costs for each project. Total revenue recognized over time was not material to the consolidated financial statements for all periods presented.

The Company has identified three separate and distinct performance obligations: 1) the sale of a trailer or equipment, 2) the sale of replacement parts, and 3) service work. For trailer, truck body, equipment, and replacement part sales, control is transferred and revenue is recognized from the sale upon shipment to or pick up by the customer in accordance with the contract terms. The Company does not have any material extended payment terms as payment is received shortly after the point of sale. Accounts receivable are recorded when the right to consideration becomes unconditional. The Company does have customers who pay for the product prior to the transfer of control which is recorded as customer deposits in *Other Accrued Liabilities* as shown in Note 9 . Customer deposits are recognized as revenue when the Company performs its obligations under the contract and transfers control of the product.

4. INVENTORIES

Inventories consist of the following components (in thousands):

	March 31, 2019	December 31, 2018
Raw materials and components	\$ 138,981	\$ 115,083
Finished goods	96,334	48,698
Work in progress	13,955	13,119
Aftermarket parts	7,141	6,421
Used trailers	569	1,083
	<u>\$ 256,980</u>	<u>\$ 184,404</u>

5. PREPAID EXPENSES

Prepaid expenses and other current assets consist of the following (in thousands):

	March 31, 2019	December 31, 2018
Chassis converter pool agreements	\$ 22,869	\$ 22,273
Assets held for sale	3,009	3,039
Income tax receivables	205	9,872
Restricted cash	—	—
Insurance premiums & maintenance agreements	10,612	3,313
All other	15,974	12,764
	<u>\$ 52,669</u>	<u>\$ 51,261</u>

Chassis converter pool agreements represent chassis transferred to the Company on a restricted basis by the manufacturer, who retains the sole authority to authorize commencement of work on the chassis and to make certain other decisions with respect to the chassis including the terms and pricing of sales to the manufacturer's dealers. Assets held for sale are related to the Company's former branch locations and businesses the Company has sold or intends to sell within one year. Insurance premiums and maintenance agreements are charged to expenses over the contractual life, which is generally one year or less. Additionally, prepaid expenses include costs in excess of billings on contracts for which the Company recognizes revenue over time as services are completed.

Restricted cash in 2018 included balances that resulted from the sale of certain branch assets that served as collateral to secure the Company's long-term debt. The restriction lapsed when collateral assets were purchased. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Condensed Consolidated Balance Sheets that sum to the total of the same such amounts shown in the Condensed Consolidated Statements of Cash Flows.

	March 31, 2019	March 31, 2018
Cash and cash equivalents	\$ 151,916	\$ 152,529
Restricted cash included in prepaid expenses and other	—	6,412
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$ 151,916</u>	<u>\$ 158,941</u>

6. DEBT

Long-term debt consists of the following (in thousands):

	March 31, 2019	December 31, 2018
Senior notes due 2025	\$ 325,000	\$ 325,000
Term loan credit agreement	185,228	185,699
	510,228	510,699
Less: unamortized discount and fees	(5,591)	(5,801)
Less: current portion	(1,880)	(1,880)
	<u>\$ 502,757</u>	<u>\$ 503,018</u>

Senior Notes

On September 26, 2017, the Company issued Senior Notes due 2025 (the “Senior Notes”) in an offering pursuant to Rule 144A or Regulation S under the Securities Act of 1933, as amended, with an aggregate principal amount of \$325 million. The Senior Notes bear interest at the rate of 5.50% per annum from the date of issuance, and will pay interest semi-annually in cash on April 1 and October 1 of each year, beginning on April 1, 2018. The Company used the net proceeds of \$318.9 million from the sale of the Senior Notes to finance a portion of the acquisition of Supreme and to pay related fees and expenses.

The Senior Notes will mature on October 1, 2025. At any time prior to October 1, 2020, the Company may redeem some or all of the Senior Notes for cash at a redemption price equal to 100% of the aggregate principal amount of the Senior Notes being redeemed plus an applicable make-whole premium set forth in the indenture for the Senior Notes and accrued and unpaid interest to, but not including, the redemption date. Prior to October 1, 2020, the Company may redeem up to 40% of the Senior Notes at a redemption price of 105.50% of the principal amount, plus accrued and unpaid interest to, but not including, the redemption date, with the proceeds of certain equity offerings so long as if, after any such redemption occurs, at least 60% of the aggregate principal amount of the Senior Notes remains outstanding. On and after October 1, 2020, the Company may redeem some or all of the Senior Notes at redemption prices (expressed as percentages of principal amount) equal to 102.750% for the twelve-month period beginning on October 1, 2020, 101.375% for the twelve-month period beginning October 1, 2021 and 100% beginning on October 1, 2022, plus accrued and unpaid interest to, but not including, the redemption date. Upon the occurrence of a Change of Control (as defined in the indenture for the Senior Notes), unless the Company has exercised its optional redemption right in respect of the Senior Notes, the holders of the Senior Notes have the right to require the Company to repurchase all or a portion of the Senior Notes at a price equal to 101% of the aggregate principal amount of the Senior Notes, plus any accrued and unpaid interest to, but not including, the date of repurchase.

The Senior Notes are guaranteed on a senior unsecured basis by all direct and indirect existing and future domestic restricted subsidiaries, subject to certain restrictions. The Senior Notes and related guarantees are the Company’s and the guarantors’ general unsecured senior obligations and are subordinate to all of the Company’s and the guarantors’ existing and future secured debt to the extent of the assets securing that secured obligation. In addition, the Senior Notes are structurally subordinate to any existing and future debt of any of the Company’s subsidiaries that are not guarantors, to the extent of the assets of those subsidiaries.

The indenture for the Senior Notes restricts the Company’s ability and the ability of certain of its subsidiaries to: (i) incur additional indebtedness; (ii) pay dividends or make other distributions in respect of, or repurchase or redeem, its capital stock or with respect to any other interest or participation in, or measured by, its profits; (iii) make loans and certain investments; (iv) sell assets; (v) create or incur liens; (vi) enter into transactions with affiliates; and (vii) consolidate, merge or sell all or substantially all of its assets. These covenants are subject to a number of important exceptions and qualifications. During any time when the Senior Notes are rated investment grade by Moody’s Investors Service, Inc. and Standard & Poor’s Ratings Services and no event of default has occurred or is continuing, many of these covenants will be suspended and the Company and its subsidiaries will not be subject to such covenants during such period.

The indenture for the Senior Notes contains customary events of default, including payment defaults, breaches of covenants, failure to pay certain judgments and certain events of bankruptcy, insolvency and reorganization. If an event of default occurs and is continuing, the principal amount of the Senior Notes, plus accrued and unpaid interest, if any, may be declared immediately due and payable. These amounts automatically become due and payable if an event of default relating to certain events of bankruptcy, insolvency or reorganization occurs. As of March 31, 2019, the Company was in compliance with all covenants.

Contractual coupon interest expense and accretion of discount and fees for the Senior Notes for the three-month periods ended March 31, 2019 and 2018, was \$4.6 million in each period, and is included in *Interest Expense* on the Company’s Condensed Consolidated Statements of Operations.

Revolving Credit Agreement

On December 21, 2018, the Company entered into the Second Amended and Restated Credit Agreement (the “Revolving Credit Agreement”), among the Company, certain of its subsidiaries as borrowers (together with the Company, the “Borrowers”), the lenders from time to time party thereto, Wells Fargo Capital Finance, LLC, as the administrative agent, joint lead arranger and joint bookrunner (the “Revolver Agent”), and Citizens Business Capital, a division of Citizens Asset Finance, Inc., as syndication agent, joint lead arranger and joint bookrunner, which amended and restated the Company’s existing amended and restated revolving credit agreement, dated as of May 8, 2012.

The Revolving Credit Agreement is guaranteed by certain subsidiaries of the Company (the “Revolver Guarantors”) and is secured by (i) first priority security interests (subject only to customary permitted liens and certain other permitted liens) in substantially all personal property of the Borrowers and the Revolver Guarantors, consisting of accounts receivable, inventory, cash, deposit and securities accounts and any cash or other assets in such accounts and, to the extent evidencing or otherwise related to such property, all general intangibles, licenses, intercompany debt, letter of credit rights, commercial tort claims, chattel paper, instruments, supporting obligations, documents and payment intangibles (collectively, the “Revolver Priority Collateral”), and (ii) second-priority liens on and security interests in (subject only to the liens securing the Term Loan Credit Agreement (as defined below), customary permitted liens and certain other permitted liens) (A) equity interests of each direct subsidiary held by the Borrowers and each Revolver Guarantor (subject to customary limitations in the case of the equity of foreign subsidiaries), and (B) substantially all other tangible and intangible assets of the Borrowers and the Revolver Guarantors including equipment, general intangibles, intercompany notes, insurance policies, investment property and intellectual property (in each case, except to the extent constituting Revolver Priority Collateral), but excluding real property (collectively, including certain material owned real property that does not constitute collateral under the Revolving Credit Agreement, the “Term Priority Collateral”). The respective priorities of the security interests securing the Revolving Credit Agreement and the Term Loan Credit Agreement are governed by an Intercreditor Agreement, dated as of May 8, 2012, between the Revolver Agent and the Term Agent (as defined below), as amended (the “Intercreditor Agreement”). The Revolving Credit Agreement has a scheduled maturity date of December 21, 2023, subject to certain springing maturity events.

Under the Revolving Credit Agreement, the lenders agree to make available to the Company a \$175 million revolving credit facility. The Company has the option to increase the total commitment under the facility to up to \$275 million, subject to certain conditions, including obtaining commitments from any one or more lenders, whether or not currently party to the Revolving Credit Agreement, to provide such increased amounts. Availability under the Revolving Credit Agreement will be based upon quarterly (or more frequent under certain circumstances) borrowing base certifications of the Borrowers’ eligible inventory and eligible accounts receivable, and will be reduced by certain reserves in effect from time to time. Subject to availability, the Revolving Credit Agreement provides for a letter of credit subfacility in an amount not in excess of \$15 million, and allows for swingline loans in an amount not in excess of \$17.5 million. Outstanding borrowings under the Revolving Credit agreement will bear interest at an annual rate, at the Borrowers’ election, equal to (i) LIBOR plus a margin ranging from 1.25% to 1.75% or (ii) a base rate plus a margin ranging from 0.25% to 0.75%, in each case depending upon the monthly average excess availability under the revolving loan facility. The Borrowers are required to pay a monthly unused line fee equal to 0.20% times the average daily unused availability along with other customary fees and expenses of the Revolver Agent and the lenders.

The Revolving Credit Agreement contains customary covenants limiting the ability of the Company and certain of its affiliates to, among other things, pay cash dividends, incur debt or liens, redeem or repurchase stock, enter into transactions with affiliates, merge, dissolve, repay subordinated indebtedness, make investments and dispose of assets. In addition, the Company will be required to maintain a minimum fixed charge coverage ratio of not less than 1.0 to 1.0 as of the end of any period of 12 fiscal months (commencing with the month ending December 31, 2018) when excess availability under the Revolving Credit Agreement is less than 10% of the total revolving commitment.

If availability under the Revolving Credit Agreement is less than 15% of the total revolving commitment or if there exists an event of default, amounts in any of the Borrowers’ and the Revolver Guarantors’ deposit accounts (other than certain excluded accounts) will be transferred daily into a blocked account held by the Revolver Agent and applied to reduce the outstanding amounts under the facility.

Subject to the terms of the Intercreditor Agreement, if the covenants under the Revolving Credit Agreement are breached, the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding and foreclose on collateral. Other customary events of default in the Revolving Credit Agreement include, without limitation, failure to pay obligations when due, initiation of insolvency proceedings, defaults on certain other indebtedness, and the incurrence of certain judgments that are not stayed, satisfied, bonded or discharged within 30 days.

As of March 31, 2019 and 2018, the Company had no outstanding borrowings under the Credit Agreement and was in compliance with all covenants. The Company’s liquidity position, defined as cash on hand and available borrowing capacity on the Revolving Credit Facility, amounted to \$319.1 million as of March 31, 2019, and \$322.2 million as of March 31, 2018.

Term Loan Credit Agreement

In May 2012, the Company entered into the Term Loan Credit Agreement (as amended, the “Term Loan Credit Agreement”), dated as of May 8, 2012, among the Company, the several lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent (the “Term Agent”), joint lead arranger and joint bookrunner, and Wells Fargo Securities, LLC, as joint lead arranger and joint bookrunner, which provides for, among other things, (x) a senior secured term loan of \$188.0 million that matures on March 19, 2022, subject to certain springing maturity events (the “Term Loans”), and (y) an uncommitted accordion feature to provide for additional senior secured term loans of up to \$75 million plus an unlimited amount provided that the senior secured leverage ratio would not exceed 3.00 to 1.00, subject to certain conditions (the “Term Loan Facility”).

On November 17, 2017, the Company entered into Amendment No. 5 to the Term Loan Credit Agreement (“Amendment No. 5”). As of the Amendment No. 5 date, \$188.0 million of the Term Loans were outstanding. Under Amendment No. 5, the lenders agreed to provide to the Company term loans in the same aggregate principal amount of the outstanding Term Loans (the “Tranche B-4 Loans”), which were used to refinance the outstanding Term Loans.

The Tranche B-4 Loans shall amortize in equal quarterly installments in aggregate amounts equal to 0.25% of the initial principal amount of the Tranche B-4 Loans, with the balance payable at maturity, and bear interest at a rate, at the Company’s election, equal to (i) LIBOR (subject to a floor of 0%) plus a margin of 225 basis points or (ii) a base rate (subject to a floor of 0%) plus a margin of 125 basis points. The Company is not subject to any financial covenants under the Term Loan Facility.

The Term Loan Credit Agreement is guaranteed by certain of the Company’s subsidiaries, and is secured by (i) first-priority liens on and security interests in the Term Priority Collateral, and (ii) second-priority security interests in the Revolver Priority Collateral.

The Term Loan Credit Agreement contains customary covenants limiting the Company’s ability to, among other things, pay cash dividends, incur debt or liens, redeem or repurchase stock, enter into transactions with affiliates, merge, dissolve, pay off subordinated indebtedness, make investments and dispose of assets. Subject to the terms of the Intercreditor Agreement, if the covenants under the Term Loan Credit Agreement are breached, the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding and foreclose on collateral. Other customary events of default in the Term Loan Credit Agreement include, without limitation, failure to pay obligations when due, initiation of insolvency proceedings, defaults on certain other indebtedness, and the incurrence of certain judgments that are not stayed, satisfied, bonded or discharged within 60 days. As of March 31, 2019, the Company was in compliance with all covenants.

For the three month period ended March 31, 2019 and 2018 , under the Term Loan Credit Agreement the Company paid interest of \$2.2 million and \$1.8 million , respectively, and principal of \$0.5 million during each period. As of March 31, 2019 , the Company had \$185.2 million outstanding under the Term Loan Credit Agreement, of which \$1.9 million was classified as current on the Company’s Condensed Consolidated Balance Sheet.

For each three-month period ended March 31, 2019 and 2018 , the Company incurred charges of less than \$0.1 million for amortization of fees and original issuance discount, which is included in *Interest Expense* in the Condensed Consolidated Statements of Operations.

7. FINANCIAL DERIVATIVE INSTRUMENTS

Commodity Pricing Risk

As of March 31, 2019 , the Company was party to commodity swap contracts for specific commodities with notional amounts of approximately \$ 34.0 million. The Company uses commodity swap contracts to mitigate the risks associated with fluctuations in commodity prices impacting its cash flows related to inventory purchases from suppliers. The Company does not hedge all commodity price risk.

At inception, the Company designated the commodity swap contracts as cash flow hedges. The contracts mature at specified monthly settlement dates through December 2019. The effective portion of the hedging transaction is recognized in Accumulated Other Comprehensive Income (“AOCI”) and transferred to earnings when the forecasted hedged transaction takes place or when the forecasted hedged transaction is no longer probable to occur.

Financial Statement Presentation

As of March 31, 2019 and December 31, 2018, the fair value carrying amount of the Company's derivative instruments were recorded as follows (in thousands):

		Asset / (Liability) Derivatives	
		March 31, 2019	December 31, 2018
Balance Sheet Caption			
Derivatives designated as hedging instruments			
Commodity swap contracts	Prepaid expenses and other	\$ 31	\$ 17
Commodity swap contracts	Other accrued liabilities	(2,142)	(1,146)
Total derivatives designated as hedging instruments		\$ (2,111)	\$ (1,129)

The following table summarizes the gain or loss recognized in AOCI as of March 31, 2019 and December 31, 2018 and the amounts reclassified from AOCI into earnings for the three months ended March 31, 2019 and 2018 (in thousands):

	Amount of Gain (Loss) Recognized in AOCI on Derivatives (Effective Portion, net of tax)		Location of Gain (Loss) Reclassified from AOCI into Earnings (Effective Portion)	Amount of Gain (Loss) Reclassified from AOCI into Earnings	
	March 31, 2019	December 31, 2018		March 31, 2019	March 31, 2018
Derivatives instruments					
Commodity swap contracts	\$ (1,579)	\$ (765)	Cost of sales	\$ (168)	\$ —

Over the next 12 months, the Company expects to reclassify approximately \$ 2.1 million of pretax deferred losses, related to the commodity swap contracts, from AOCI to cost of sales as inventory purchases are settled.

8. LEASES

The Company leases certain industrial spaces, office space, land, and equipment. Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. Some leases include one or more options to renew, with renewal terms that can extend the lease term from one to 5 years. The exercise of lease renewal options is at the Company's sole discretion. Certain leases also include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

Leased assets and liabilities included within the Condensed Consolidated Balance Sheets consist of the following (in thousands):

	Classification	March 31, 2019
Right-of-Use Assets		
Operating	Other assets	\$ 12,081
Finance	Property, plant and equipment, net of depreciation	3,053
Total Leased ROU Assets		<u>\$ 15,134</u>
Liabilities		
Current		
Operating	Other accrued liabilities	\$ 3,640
Finance	Current portion of finance lease obligations	313
Noncurrent		
Operating	Non-current liabilities	8,476
Finance	Finance lease obligations	625
Total lease liabilities		<u>\$ 13,054</u>

Lease costs included in the Condensed Consolidated Statements of Operations consist of the following (in thousands):

	Classification	Three Months Ended March 31, 2019
Operating lease cost	Cost of sales, selling expenses and general and administrative expense	\$ 1,072
Finance lease cost		
Amortization of ROU leased assets	Depreciation and amortization	36
Interest on lease liabilities	Interest expense	15
Net lease cost		<u>\$ 1,123</u>

Maturity of the Company's lease liabilities is as follows (in thousands):

	Operating Leases	Finance Leases	Total
2019 (remainder)	\$ 3,074	\$ 271	\$ 3,345
2020	3,289	361	3,650
2021	2,708	361	3,069
2022	1,480	30	1,510
2023	1,266	—	1,266
Thereafter	1,812	—	1,812
Total lease payments	\$ 13,629	\$ 1,023	<u>\$ 14,652</u>
Less: interest	1,514	85	
Present value of lease payments	<u>\$ 12,115</u>	<u>\$ 938</u>	

As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. Remaining lease term and discount rates are as follows:

	March 31, 2019
Weighted average remaining lease term (years)	
Operating leases	4.6
Finance leases	2.8
Weighted average discount rate	
Operating leases	5.16%
Finance leases	6.16%

Lease costs included in the Condensed Consolidated Statements of Cash Flows are as follows (in thousands):

	Three Months Ended March 31, 2019
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	\$ 1,038
Operating cash flows from finance leases	\$ 15
Financing cash flows from finance leases	\$ 75

9. OTHER ACCRUED LIABILITIES

The following table presents the major components of *Other Accrued Liabilities* (in thousands):

	March 31, 2019	December 31, 2018
Warranty	\$ 23,012	\$ 22,247
Chassis converter pool agreements	22,869	22,273
Payroll and related taxes	21,831	16,096
Customer deposits	20,571	23,483
Self-insurance	11,194	9,890
Accrued interest	9,207	4,779
Operating lease obligations	3,640	—
Accrued taxes	2,789	7,653
All other	12,109	9,963
	<u>\$ 127,222</u>	<u>\$ 116,384</u>

The following table presents the changes in the product warranty accrual included in *Other Accrued Liabilities* (in thousands):

	2019	2018
Balance as of January 1	\$ 22,247	\$ 20,132
Provision for warranties issued in current year	1,948	1,524
Payments	(1,183)	(1,353)
Balance as of March 31	<u>\$ 23,012</u>	<u>\$ 20,303</u>

The Company offers a limited warranty for its products with a coverage period that ranges between one and five years, except that the coverage period for DuraPlate® trailer panels is ten years. The Company passes through component manufacturers' warranties to our customers. The Company's policy is to accrue the estimated cost of warranty coverage at the time of the sale.

10. FAIR VALUE MEASUREMENTS

The Company's fair value measurements are based upon a three-level valuation hierarchy. These valuation techniques are based upon the transparency of inputs (observable and unobservable) to the valuation of an asset or liability as of the measurement date. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1 — Valuation is based on quoted prices for identical assets or liabilities in active markets;
- Level 2 — Valuation is based on quoted prices for similar assets or liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for the full term of the financial instrument; and
- Level 3 — Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

Recurring Fair Value Measurements

The Company maintains a non-qualified deferred compensation plan which is offered to senior management and other key employees. The amount owed to participants is an unfunded and unsecured general obligation of the Company. Participants are offered various investment options with which to invest the amount owed to them, and the plan administrator maintains a record of the liability owed to participants by investment. To minimize the impact of the change in market value of this liability, the Company has elected to purchase a separate portfolio of investments through the plan administrator similar to those chosen by the participant.

The investments purchased by the Company include mutual funds, which are classified as Level 1, and life-insurance contracts valued based on the performance of underlying mutual funds, which are classified as Level 2. Additionally, upon the Company's acquisition of Supreme, the Company acquired a pool of investments made by a wholly owned captive insurance subsidiary. These investments are comprised of mutual funds, which are classified as Level 1.

The fair value of the Company's derivatives is estimated with a market approach using third-party pricing services, which have been corroborated with data from active markets or broker quotes.

Fair value measurements and the fair value hierarchy level for the Company's assets and liabilities measured at fair value on a recurring basis, are shown below (in thousands):

	Frequency	Asset / (Liability)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2019					
Commodity swap contracts	Recurring	(2,111)	—	(2,111)	—
Mutual funds	Recurring	5,925	5,925	—	—
Life-insurance contracts	Recurring	15,702	—	15,702	—
December 31, 2018					
Commodity swap contracts	Recurring	(1,129)	—	(1,129)	—
Mutual funds	Recurring	4,140	4,140	—	—
Life-insurance contracts	Recurring	15,333	—	15,333	—

Estimated Fair Value of Debt

The estimated fair value of debt at March 31, 2019 consists primarily of the Senior Notes due 2025 and borrowings under the Term Loan Credit Agreement (see Note 6). The fair value of the Senior Notes due 2025, Term Loan Credit Agreement and the Revolving Credit Facility are based upon third party pricing sources, which generally do not represent daily market activity or represent data obtained from an exchange, and are classified as Level 2. The interest rates on the Company's borrowings under the Revolving Credit Facility are adjusted regularly to reflect current market rates and thus carrying value approximates fair value for these borrowings. All other debt approximates their fair value as determined by discounted cash flows and are classified as Level 3.

The Company's carrying and estimated fair value of debt at March 31, 2019 and December 31, 2018 were as follows (in thousands):

Instrument	March 31, 2019				December 31, 2018			
	Carrying Value	Fair Value			Carrying Value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Senior notes due 2025	320,096	—	301,438	—	319,941	—	278,688	—
Term loan credit agreement	184,542	—	183,376	—	184,957	—	181,985	—
	<u>\$ 504,638</u>	<u>\$ —</u>	<u>\$ 484,814</u>	<u>\$ —</u>	<u>\$ 504,898</u>	<u>\$ —</u>	<u>\$ 460,673</u>	<u>\$ —</u>

The fair value of debt is based on current public market prices for disclosure purposes only. Unrealized gains or losses are not recognized in the financial statements as long-term debt is presented at the carrying value, net of unamortized premium or discount and unamortized deferred financing costs in the financial statements.

11. CONTINGENCIES

As of March 31, 2019, the Company was named as a defendant or was otherwise involved in numerous legal proceedings and governmental examinations, in connection with the conduct of its business activities, in various jurisdictions, both in the United States and internationally. On the basis of information currently available to it, management does not believe that existing proceedings and investigations will have a material impact on our consolidated financial condition or liquidity if determined in a manner adverse to the Company. However, such matters are unpredictable, and we could incur judgments or enter into settlements for current or future claims that could materially and adversely affect our financial statements. Costs associated with the litigation and settlements of legal matters are reported within *General and Administrative Expenses* in the Condensed Consolidated Statements of Operations.

Environmental Disputes

In August 2014, the Company received notice as a potentially responsible party ("PRP") by the South Carolina Department of Health and Environmental Control ("DHEC") pertaining to the Philip Services Site located in Rock Hill, South Carolina pursuant to the Comprehensive Environmental Response, Compensation and Liability Act and corresponding South Carolina statutes. PRPs include parties identified through manifest records as having contributed to deliveries of hazardous substances to the Philip Services Site between 1979 and 1999. The DHEC's allegation that the Company was a PRP arises out of four manifest entries in 1989 under the name of a company unaffiliated with Wabash National (or any of its former or current subsidiaries) that purport to be delivering a

de minimis amount of hazardous waste to the Philip Services Site “c/o Wabash National Corporation.” As such, the Philip Services Site PRP Group (“PRP Group”) notified Wabash in August 2014 that it was offering the Company the opportunity to resolve any liabilities associated with the Philip Services Site by entering into a Cash Out and Reopener Settlement Agreement (the “Settlement Agreement”) with the PRP Group, as well as a Consent Decree with the DHEC. The Company has accepted the offer from the PRP Group to enter into the Settlement Agreement and Consent Decree, while reserving its rights to contest its liability for any deliveries of hazardous materials to the Philips Services Site. The requested settlement payment is immaterial to the Company’s financial conditions or operations, and as a result, if the Settlement Agreement and Consent Decree are finalized, the payment to be made by the Company thereunder is not expected to have a material adverse effect on the Company’s financial condition or results of operations.

Supreme Litigation

Prior to the Company’s acquisition of Supreme, on November 4, 2016, a putative class action lawsuit was filed against Supreme Corporation, Mark D. Weber (Supreme’s former Chief Executive Officer) and Matthew W. Long (Supreme’s former Chief Financial Officer) in the United States District Court for the Central District of California alleging the defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 by making material, misleading statements in July 2016 regarding projected backlog. The plaintiff seeks to recover unspecified damages. On February 14, 2017, the court transferred the venue of the case to the Northern District of Indiana upon the joint stipulation of the plaintiff and the defendants. An amended complaint was filed on April 24, 2017 challenging statements made during a putative class period of October 22, 2015, through October 21, 2016.

On May 24, 2018, the Court granted Supreme’s motion to dismiss all claims for failure to state a claim. On July 13, 2018, the plaintiffs filed a second amended complaint. On August 24, 2018, Supreme filed a second motion to dismiss for failure to state a claim, and requested dismissal with prejudice. On March 29, 2019, the Court granted Supreme’s motion and dismissed Plaintiff’s second amended complaint, with prejudice. The deadline for filing an appeal on the merits was April 29, 2019, and the Plaintiff filed a notice of appeal with the Court on that same day.

Chassis Converter Pool Agreements

The Company, through Supreme, obtains most vehicle chassis for its specialized vehicle products directly from the chassis manufacturers under converter pool agreements. Chassis are obtained from the manufacturers based on orders from customers, and in some cases, for unallocated orders. The agreements generally state that the manufacturer will provide a supply of chassis to be maintained at the Company’s facilities with the condition that we will store such chassis and will not move, sell, or otherwise dispose of such chassis except under the terms of the agreement. In addition, the manufacturer typically retains the sole authority to authorize commencement of work on the chassis and to make certain other decisions with respect to the chassis including the terms and pricing of sales of the chassis to the manufacturer’s dealers. The manufacturer also does not transfer the certificate of origin to the Company nor permit the Company to sell or transfer the chassis to anyone other than the manufacturer (for ultimate resale to a dealer). Although the Company is party to related finance agreements with manufacturers, the Company has not historically settled, nor expects to in the future settle, any related obligations in cash. Instead, the obligation is settled by the manufacturer upon reassignment of the chassis to an accepted dealer, and the dealer is invoiced for the chassis by the manufacturer. Accordingly, as of March 31, 2019, the Company’s outstanding chassis converter pool with the manufacturer totaled \$22.9 million and has included this financing agreement on the Company’s Consolidated Balance Sheets within *Prepaid expenses and other* and *Other accrued liabilities*. All other chassis programs through its Supreme subsidiary are handled as consigned inventory belonging to the manufacturer and totaled approximately \$5.9 million. Under these agreements, if the chassis is not delivered to a customer within a specified time frame the Company is required to pay a finance or storage charge on the chassis. Additionally, the Company receives finance support funds from manufacturers when the chassis are assigned into the Company’s chassis pool. Typically, chassis are converted and delivered to customers within 90 days of the receipt of the chassis by the Company.

12. NET INCOME PER SHARE

Per share results have been calculated based on the average number of common shares outstanding. The calculation of basic and diluted net income per share is determined using net income applicable to common stockholders as the numerator and the number of shares included in the denominator as follows (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2019	2018
Basic net income per share:		
Net income applicable to common stockholders	\$ 14,780	\$ 21,272
Weighted average common shares outstanding	55,268	57,793
Basic net income per share	\$ 0.27	\$ 0.37
Diluted net income per share:		
Net income applicable to common stockholders	\$ 14,780	\$ 21,272
Weighted average common shares outstanding	55,268	57,793
Dilutive shares from assumed conversion of convertible senior notes	—	1,789
Dilutive stock options and restricted stock	502	1,268
Diluted weighted average common shares outstanding	55,770	60,850
Diluted net income per share	\$ 0.27	\$ 0.35

The calculation of diluted net income per share for the three month period ended March 31, 2018 includes the impact of the Company's convertible senior notes as the average stock price of the Company's common stock during the period was above the initial conversion price of approximately \$11.70 per share. The convertible notes matured in May 2018, so there were no dilutive shares in 2019.

13. STOCK-BASED COMPENSATION

The Company recognizes all share-based payments based upon their fair value. The Company grants restricted stock units subject to service, performance and/or market conditions. The Company's policy is to recognize expense for awards that have service conditions only subject to graded vesting using the straight-line attribution method. The fair value of service and performance based units is based on the market price of a share of underlying common stock at the date of grant. The fair value of the market based units is based on a lattice valuation model. The amount of compensation costs related to restricted stock units and performance units not yet recognized was \$22.4 million at March 31, 2019 for which the expense will be recognized through 2022.

14. STOCKHOLDERS' EQUITY

Share Repurchase Program

On November 14, 2018, the Board of Directors approved the extension of the Company's existing stock repurchase program for an additional three -year period and authorizing up to an additional \$100 million in repurchases. Stock repurchases under this program may be made in the open market or in private transactions at times and in amounts determined by the Company. As of March 31, 2019 , \$ 100.0 million remained available under the program.

Common and Preferred Stock

The Board of Directors has the authority to issue common and unclassified preferred stock of up to 200 million shares and 25 million shares, respectively, with par value of \$0.01 per share, as well as to fix dividends, voting and conversion rights, redemption provisions, liquidation preferences and other rights and restrictions.

Accumulated Other Comprehensive Income

Changes in AOCI by component, net of tax, for the three months ended March 31, 2019 are summarized as follows (in thousands):

	Foreign Currency Translation and Other	Derivative Instruments	Total
Balances at December 31, 2018	\$ (2,578)	\$ (765)	\$ (3,343)
Net unrealized gains (losses) arising during the period ^(a)	298	(689)	(391)
Less: Net realized gains (losses) reclassified to net income ^(b)		(125)	(125)
Net change during the period	298	(814)	(516)
Balances at March 31, 2019	\$ (2,280)	\$ (1,579)	\$ (3,859)

^(a) Derivative instruments net of \$232 thousand of tax benefit for the three months ended March 31, 2019 .

^(b) Derivative instruments net of \$42 thousand of tax benefit for the three months ended March 31, 2019 .

Changes in AOCI by component, net of tax, for the three months ended March 31, 2018 are summarized as follows (in thousands):

	Foreign Currency Translation and Other	Derivative Instruments	Total
Balances at December 31, 2017	\$ (2,385)	\$ —	\$ (2,385)
Net unrealized gains (losses) arising during the period	409	—	409
Less: Net realized gains (losses) reclassified to net income	—	—	—
Net change during the period	409	—	409
Balances at March 31, 2018	\$ (1,976)	\$ —	\$ (1,976)

15. INCOME TAXES

For the three months ended March 31, 2019 , the Company recognized income tax expense of \$3.2 million compared to \$4.8 million for the same period in the prior year. The effective tax rate for this period was 17.6% compared to 18.6% for the same period in the prior year. These effective tax rates differ from the US Federal statutory rate of 21% primarily due to the impact of state and local taxes and recognition of excess tax benefits on share-based awards.

16. SEGMENTS

a. Segment Reporting

The Company manages its business in three segments: Commercial Trailer Products, Diversified Products, and Final Mile Products. The Commercial Trailer Products segment manufactures standard and customized van and platform trailers and other transportation related equipment for customers who purchase directly from the Company or through independent dealers. The Diversified Products segment, comprised of three strategic business units including, Tank Trailer, Process Systems and Composites, focuses on the Company's commitment to expand its customer base, diversify its product offerings and revenues and extend its market leadership by leveraging its proprietary DuraPlate® panel technology, drawing on its core manufacturing expertise and making available products that are complementary to truck and tank trailers and transportation equipment. The Final Mile Products segment manufactures truck bodies for customers in the final mile space.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies except that the Company evaluates segment performance based on income from operations. The Company has not allocated certain corporate related administrative costs, interest and income taxes included in the corporate and eliminations segment to the Company's other reportable segments. The Company accounts for intersegment sales and transfers at cost plus a specified mark-up.

Reportable segment information is as follows (in thousands):

Three Months Ended March 31, 2019	Commercial Trailer Products	Diversified Products	Final Mile Products	Corporate and Eliminations	Consolidated
Net sales					
External customers	\$ 340,145	\$ 92,180	\$ 100,849	\$ —	\$ 533,174
Intersegment sales	900	7,468	—	(8,368)	—
Total net sales	<u>\$ 341,045</u>	<u>\$ 99,648</u>	<u>\$ 100,849</u>	<u>\$ (8,368)</u>	<u>\$ 533,174</u>
Income (loss) from operations	\$ 26,321	\$ 8,044	\$ 1,869	\$ (11,036)	\$ 25,198
Assets	\$ 359,999	\$ 345,577	\$ 489,534	\$ 213,522	\$ 1,408,632

Three Months Ended March 31, 2018	Commercial Trailer Products	Diversified Products	Final Mile Products	Corporate and Eliminations	Consolidated
Net sales					
External customers	\$ 327,397	\$ 88,463	\$ 75,459	\$ —	\$ 491,319
Intersegment sales	25	6,740	—	(6,765)	—
Total net sales	<u>\$ 327,422</u>	<u>\$ 95,203</u>	<u>\$ 75,459</u>	<u>\$ (6,765)</u>	<u>\$ 491,319</u>
Income (loss) from operations	\$ 29,481	\$ 5,028	\$ 609	\$ (9,462)	\$ 25,656
Assets	\$ 350,187	\$ 356,852	\$ 467,994	\$ 234,515	\$ 1,409,548

b. Product Information

The Company offers products primarily in four general categories: (1) new trailers, (2) used trailers, (3) components, parts and service and (4) equipment and other. The following table sets forth the major product categories and their percentage of consolidated net sales (dollars in thousands):

Three Months Ended March 31, 2019	Commercial Trailer Products	Diversified Products	Final Mile Products	Eliminations	Consolidated	
New trailers	\$ 325,819	\$ 45,799	\$ —	\$ —	\$ 371,618	69.7%
Used trailers	137	587	—	—	724	0.1%
Components, parts and service	10,333	35,884	3,416	(7,920)	41,713	7.8%
Equipment and other	4,756	17,378	97,433	(448)	119,119	22.3%
Total net sales	<u>\$ 341,045</u>	<u>\$ 99,648</u>	<u>\$ 100,849</u>	<u>\$ (8,368)</u>	<u>\$ 533,174</u>	<u>100.0%</u>

Three Months Ended March 31, 2018	Commercial Trailer Products	Diversified Products	Final Mile Products	Eliminations	Consolidated	
New trailers	\$ 310,318	\$ 33,839	\$ —	\$ —	\$ 344,157	70.0%
Used trailers	4,407	1,086	—	—	5,493	1.1%
Components, parts and service	8,648	33,968	2,413	(6,762)	38,267	7.8%
Equipment and other	4,049	26,310	73,046	(3)	103,402	21.0%
Total net sales	<u>\$ 327,422</u>	<u>\$ 95,203</u>	<u>\$ 75,459</u>	<u>\$ (6,765)</u>	<u>\$ 491,319</u>	<u>100.0%</u>

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report of Wabash National Corporation (together with its subsidiaries, the "Company," "Wabash," "we," "our," or "us") contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). Forward-looking statements may include the words "may," "will," "estimate," "intend," "continue," "believe," "expect," "plan" or "anticipate" and other similar words. Our "forward-looking statements" include, but are not limited to, statements regarding:

- our business plan;
- our ability to effectively integrate Supreme and realize expected synergies and benefits from the Supreme acquisition;
- our expected revenues, income or loss;
- our ability to manage our indebtedness;
- our strategic plan and plans for future operations;
- financing needs, plans and liquidity, including for working capital and capital expenditures;
- our ability to achieve sustained profitability;
- reliance on certain customers and corporate relationships;
- availability and pricing of raw materials, including the impact of tariffs or other international trade developments;
- availability of capital and financing;
- dependence on industry trends;
- the outcome of any pending litigation or notice of environmental dispute;
- export sales and new markets;
- engineering and manufacturing capabilities and capacity, including our ability to attract and retain qualified personnel;
- our ability to develop and commercialize new products;
- acceptance of new technologies and products;
- government regulation; and
- assumptions relating to the foregoing.

Although we believe that the expectations expressed in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in this Quarterly Report. Important risks and factors that could cause our actual results to be materially different from our expectations include the factors that are disclosed in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018 and in Part II, Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q. Each forward-looking statement contained in this Quarterly Report reflects our management's view only as of the date on which that forward-looking statement was made. We are not obligated to update forward-looking statements or publicly release the result of any revisions to them to reflect events or circumstances after the date of this Quarterly Report or to reflect the occurrence of unanticipated events, except as required by law.

Results of Operations

The following table sets forth certain operating data as a percentage of net sales for the periods indicated:

	Three Months Ended March 31,	
	2019	2018
Net sales	100.0 %	100.0 %
Cost of sales	87.1 %	86.9 %
Gross profit	12.9 %	13.1 %
General and administrative expenses	5.7 %	5.1 %
Selling expenses	1.5 %	1.7 %
Amortization of intangibles	1.0 %	1.0 %
Other operating expenses	— %	0.1 %
Income from operations	4.7 %	5.2 %
Interest expense	(1.3)%	(1.5)%
Other, net	— %	1.6 %
Income before income taxes	3.4 %	5.3 %
Income tax expense	0.6 %	1.0 %
Net income	2.8 %	4.3 %

For the three month period ended March 31, 2019 , we recorded net sales of \$533.2 million compared to \$491.3 million in the prior year period. Net sales for the three month period ended March 31, 2019 increased \$41.9 million, or 8.5% , compared to the prior year period, due primarily to a 43.4% increase in truck body unit shipments , which contributed to a \$25.4 million increase in sales within our Final Mile Products segment. Gross profit margin decreased to 12.9% in the first quarter of 2019 compared to 13.1% in the prior year period driven by higher commodity and component costs and higher labor costs due to tight labor markets. We continue to be encouraged by the strong market demand within all of our reporting segments as well as the expectation that overall industry shipment and production levels will remain above replacement demand for the remainder of 2019 as many key structural and market drivers continue to support healthy demand for new trailers. In addition, we expect to continue our focused efforts to drive ongoing improvements throughout the business, deliver new opportunities to expand our customer base and focus on developing innovative new products that both add value to our customers' operations and allow us to continue to differentiate our products from the competition.

For the three-month period ended March 31, 2019 , selling, general and administrative expenses increased \$4.9 million as compared to the same period in 2018 . The increase was largely due to a \$2.1 million loss on disposal of machinery and equipment in our Commercial Trailer Products and Diversified Products reportable segments, \$1.4 million higher legal expenses related to normal course claims, and \$1.0 million of higher employee related costs, including employee incentive programs, compared to the same period in the prior year. The remainder of the increase is primarily due to higher repair and maintenance, promotional costs, and depreciation expense, partially offset by lower selling, general and administrative expenses related to the Aviation and Truck Equipment business which was sold in January 2019. As a percentage of net sales, selling, general and administrative expenses increased to 7.2% in the first quarter of 2019 as compared to 6.8% in the prior year period.

Our management team continues to be focused on increasing overall shareholder value by optimizing our manufacturing operations to match the current demand environment, implementing cost savings initiatives and lean manufacturing techniques, strengthening our capital structure, developing innovative products that enable our customers to succeed, improving earnings and continuing diversification of the business into higher margin opportunities that leverage our intellectual and process capabilities.

Three Months Ended March 31, 2019 Compared with the Three Months Ended March 31, 2018

Net Sales

Net sales in the first quarter of 2019 increased \$41.9 million, or 8.5% , compared to the first quarter of 2018 . By business segment, prior to the elimination of intercompany sales, sales and related units sold were as follows (dollars in thousands):

	Three Months Ended March 31,		Change	
	2019	2018	Amount	%
(prior to elimination of intersegment sales)				
Sales by Segment				
Commercial Trailer Products	\$ 341,045	\$ 327,422	\$ 13,623	4.2 %
Diversified Products	99,648	95,203	4,445	4.7 %
Final Mile Products	100,849	75,459	25,390	33.6 %
Eliminations	(8,368)	(6,765)	(1,603)	
Total	<u>\$ 533,174</u>	<u>\$ 491,319</u>	<u>\$ 41,855</u>	8.5 %
New Trailers				
	(units)			
Commercial Trailer Products	12,400	12,650	(250)	(2.0)%
Diversified Products	700	550	150	27.3 %
Total	<u>13,100</u>	<u>13,200</u>	<u>(100)</u>	(0.8)%
Used Trailers				
	(units)			
Commercial Trailer Products	50	500	(450)	(90.0)%
Diversified Products	25	50	(25)	(50.0)%
Total	<u>75</u>	<u>550</u>	<u>(475)</u>	(86.4)%

Commercial Trailer Products segment sales prior to the elimination of intersegment sales were \$341.0 million for the first quarter of 2019 , an increase of \$13.6 million , or 4.2% , compared to the first quarter of 2018 . New trailers shipped during the first quarter of 2019 totaled 12,400 trailers compared to 12,650 trailers in the prior year period, a 2.0% decrease. The increase in net sales is most notably attributable to pricing efforts undertaken in response to increases in commodity and labor costs experienced in 2018. Parts and service revenue also contributed to the increase with net sales of \$10.3 million, an increase of \$1.7 million, or 19.5%, as compared to the first quarter of 2018 . Partially, offsetting these increases was a decline in used trailer sales. Used trailer sales decreased \$4.3 million compared to the prior year period due to a 450 unit decrease in used trailer shipments in the first quarter of 2019 compared to the prior year period.

Diversified Products segment sales prior to the elimination of intersegment sales were \$99.6 million for the first quarter of 2019 , an increase of \$4.4 million , or 4.7% , compared to the first quarter of 2018 . New trailer sales increased \$12.0 million, or 35.3%, from the prior year period driven by higher demand for tank trailers compared to the first quarter of 2018 . New trailer shipments for the first quarter of 2019 totaled 700 units compared to 550 units in the prior year period. Equipment sales decreased \$9.1 million, or 36.9%, compared to the prior year period mostly due to \$6.6 million decrease in sales as a result of the sale of the Aviation and Truck Equipment business in January 2019. Sales of our parts and service product offerings totaled \$35.9 million for the first quarter of 2019 , an increase of \$1.9 million or 5.6% as compared to the prior year period.

Final Mile Products segment sales, prior to the elimination of intersegment sales, were \$100.8 million in the first quarter of 2019 , an increase of \$25.4 million , or 33.6% , compared to the first quarter of 2018 . New truck body sales increased \$23.9 million, or 33.4%, from the prior year period driven by a 43.4% increase in truck body unit shipments in the first quarter of 2019 , compared to the prior year period.

Cost of Sales

Cost of sales was \$464.5 million in the first quarter of 2019 , an increase of \$37.3 million, or 8.7%, compared to the prior year period. Cost of sales is comprised of material costs, a variable expense, and other manufacturing costs, comprised of both fixed and variable expenses, including direct and indirect labor, outbound freight, and overhead expenses.

Commercial Trailer Products segment cost of sales was \$305.1 million in the first quarter of 2019 , an increase of \$14.2 million, or 4.9%, compared to the prior year period. The increase was primarily driven by a \$12.3 million increase in materials costs due to

higher new trailer sales levels and material cost inflation as compared to the prior year period. Other manufacturing costs increased \$1.9 million as compared to the prior year period due to higher new trailer sales levels and higher labor costs.

Diversified Products segment cost of sales was \$79.5 million in the first quarter of 2019 , an increase of \$1.6 million, or 2.1%, compared to the prior period. The increase in cost of sales is primarily due to higher material and labor costs due to higher sales volumes and material cost inflation compared to the prior year period. Partially offsetting these increases was a decrease in cost of sales as a result of the sale of the Aviation and Truck Equipment business.

Final Mile Product segment cost of sales was \$87.3 million in first quarter of 2019 , an increase of \$23.4 million, or 36.6%, compared to the prior period. The increase was primarily driven by a \$14.2 million increase in materials costs and a \$9.2 million increase in other manufacturing costs related to increased sales volumes and product mix.

Gross Profit

Gross profit was \$68.7 million in the first quarter of 2019 , an increase of \$4.6 million from the prior year period. Gross profit as a percentage of sales was 12.9% for the first quarter of 2019 , compared to 13.1% for the same period in 2018 . Gross profit by segment was as follows (dollars in thousands):

	Three Months Ended March 31,		Change	
	2019	2018	Amount	%
Gross Profit by Segment				
Commercial Trailer Products	\$ 35,940	\$ 36,522	\$ (582)	(1.6)%
Diversified Products	20,099	17,298	2,801	16.2 %
Final Mile Products	13,524	11,532	1,992	17.3 %
Corporate and Eliminations	(873)	(1,233)	360	
Total	<u>\$ 68,690</u>	<u>\$ 64,119</u>	<u>\$ 4,571</u>	7.1 %

Commercial Trailer Products segment gross profit was \$35.9 million for the first quarter of 2019 compared to \$36.5 million for the first quarter of 2018 . Gross profit prior to the elimination of intersegment sales, as a percentage of net sales, was 10.5% in the first quarter of 2019 compared to 11.2% in the 2018 period. The decreases in gross profit and gross profit margin as compared to the prior year period were primarily driven by higher commodity and component costs, higher labor costs due to tight labor market, supplier induced production interruptions, and an unfavorable sales mix.

Diversified Products segment gross profit was \$20.1 million for the first quarter of 2019 compared to \$17.3 million in the same quarter of 2018 . Gross profit prior to the elimination of intersegment sales, as a percentage of net sales, was 20.2% in the first quarter of 2019 compared to 18.2% in the 2018 period. The increase in gross profit as a percentage of net sales compared to the prior year period was primarily driven by the divestiture of the Aviation and Truck Equipment business completed early in the first quarter of 2019, a favorable sales mix and improved operational efficiencies compared to the prior year period.

Final Mile Products segment gross profit was \$13.5 million for the first quarter of 2019 compared to \$11.5 million in the same quarter of 2018 . Gross profit prior to the elimination of intersegment sales, as a percentage of sales, was 13.4% in the first quarter of 2019 compared to 15.3% in the 2018 period. The decrease in gross profit as a percentage of net sales compared to the prior year period was primarily driven by higher commodity and component costs, higher labor costs due to tight labor market, and an unfavorable sales mix.

General and Administrative Expenses

General and administrative expenses for the first quarter of 2019 increased \$5.0 million , or 20.0% , from the prior year period. The increase was largely due to a \$2.1 million loss on disposal of machinery and equipment in our Commercial Trailer Products and Diversified Products reportable segments, \$1.4 million higher legal expenses related to normal course claims, and \$1.0 million of higher employee related costs, including employee incentive programs, compared to the same period in the prior year. The remainder of the increase is primarily due to higher repair and maintenance and depreciation expense, partially offset by lower general and administrative expenses related to the Aviation and Truck Equipment business which was sold in January 2019. As a percentage of net sales, general and administrative expenses were 5.7% for the first quarter of 2019 , up from 5.1% for the first quarter of 2018 .

Selling Expenses

Selling expenses were \$8.2 million in the first quarter of 2019 , a decrease of \$0.1 million, or 1.5%, compared to the prior year period. The decrease was largely due to lower selling expenses as a result of the sale of the Aviation and Truck Equipment business in January 2019, partially offset by higher advertising and promotional costs. As a percentage of net sales, selling expenses were 1.5% for the first quarter of 2019 , down from 1.7% for the first quarter of 2018 .

Amortization of Intangibles

Amortization of intangibles was \$5.1 million for the first quarter of 2019 compared to \$4.9 million in the prior year period. Amortization of intangibles for both periods primarily includes amortization expense recognized for intangible assets recorded from the acquisition of Walker in May 2012, certain assets acquired from Beall in February 2013, and Supreme in September 2017.

Other Income (Expense)

Interest expense for the first quarter of 2019 totaled \$7.1 million compared to \$7.5 million in the first quarter of 2018. Interest expense relates to interest and non-cash accretion charges on our Term Loan Credit Agreement and Senior Notes. The decrease from the previous year period is primarily due to the retirement of the Convertible Notes in 2018.

Other, net for the first quarter of 2019 represented expense of \$0.2 million as compared to income of \$7.9 million for the prior year period. Income for the prior year period is primarily related to the gains recognized on the sale of former branch locations in the first quarter of 2018.

Income Taxes

We recognized income tax expense of \$3.2 million in the first quarter 2019 compared to \$4.8 million for the same period in the prior year. The effective tax rate for the first quarter of 2019 and 2018 were 17.6% and 18.6%, respectively. These effective tax rates differ from the U.S. Federal statutory rate of 21% primarily due to the impact of state and local taxes and recognition of excess tax benefits on share-based compensation.

Liquidity and Capital Resources

Capital Structure

Our capital structure is comprised of a mix of debt and equity. As of March 31, 2019, our debt to equity ratio was approximately 1.1:1.0. Our long-term objective is to generate operating cash flows sufficient to support the growth within our businesses and increase shareholder value. This objective will be achieved through a balanced capital allocation strategy of maintaining strong liquidity, deleveraging our balance sheet, investing in the business, both organically and strategically, and returning capital to our shareholders. In the first three months of 2019 we paid dividends of \$4.5 million. For the remainder of 2019, we expect to continue our commitment to fund our working capital requirements and capital expenditures while also returning capital to our shareholders and deleveraging our balance sheet through cash flows from operations as well as available borrowings under our existing Credit Agreement.

Debt Agreements and Related Amendments

Senior Notes

On September 26, 2017, we issued Senior Notes due 2025 (the “Senior Notes”) in an offering pursuant to Rule 144A or Regulation S under the Securities Act, with an aggregate principal amount of \$325 million. The Senior Notes bear interest at the rate of 5.50% per annum from the date of issuance, and will pay interest semi-annually in cash on April 1 and October 1 of each year, beginning on April 1, 2018. We used the net proceeds of \$318.9 million from the sale of the Senior Notes to finance a portion of the acquisition of Supreme and to pay related fees and expenses.

The Senior Notes will mature on October 1, 2025. At any time prior to October 1, 2020, we may redeem some or all of the Senior Notes for cash at a redemption price equal to 100% of the aggregate principal amount of the Senior Notes being redeemed plus an applicable make-whole premium set forth in the indenture for the Senior Notes and accrued and unpaid interest to, but not including, the redemption date. Prior to October 1, 2020, we may redeem up to 40% of the Senior Notes at a redemption price of 105.50% of the principal amount, plus accrued and unpaid interest to, but not including, the redemption date, with the proceeds of certain equity offerings so long as if, after any such redemption occurs, at least 60% of the aggregate principal amount of the Senior Notes remains outstanding. On and after October 1, 2020, we may redeem some or all of the Senior Notes at redemption prices (expressed as percentages of principal amount) equal to 102.750% for the twelve-month period beginning on October 1, 2020, 101.375% for the twelve-month period beginning October 1, 2021 and 100.000% beginning on October 1, 2022, plus accrued and unpaid interest to, but not including, the redemption date. Upon the occurrence of a Change of Control (as defined in the indenture for the Senior Notes), unless we have exercised our optional redemption right in respect of the Senior Notes, the holders of the Senior Notes have the right to require us to repurchase all or a portion of the Senior Notes at a price equal to 101% of the aggregate principal amount of the Senior Notes, plus any accrued and unpaid interest to, but not including, the date of repurchase.

The Senior Notes are guaranteed on a senior unsecured basis by all of our direct and indirect existing and future domestic restricted subsidiaries, subject to certain restrictions. The Senior Notes and related guarantees are our and the guarantors’ general unsecured senior obligations and are subordinate to all of our and the guarantors’ existing and future secured debt to the extent of the assets securing that secured obligation. In addition, the Senior Notes are structurally subordinate to any existing and future debt of any of our subsidiaries that are not guarantors, to the extent of the assets of those subsidiaries.

The indenture for the Senior Notes restricts our ability and the ability of certain of our subsidiaries to: (i) incur additional indebtedness; (ii) pay dividends or make other distributions in respect of, or repurchase or redeem, its capital stock or with respect to any other interest or participation in, or measured by, its profits; (iii) make loans and certain investments; (iv) sell assets; (v) create or incur liens; (vi) enter into transactions with affiliates; and (vii) consolidate, merge or sell all or substantially all of its assets. These covenants are subject to a number of important exceptions and qualifications. During any time when the Senior Notes are rated investment grade by Moody's Investors Service, Inc. and Standard & Poor's Ratings Services and no event of default has occurred or is continuing, many of these covenants will be suspended and the Company and its subsidiaries will not be subject to such covenants during such period.

The indenture for the Senior Notes contains customary events of default, including payment defaults, breaches of covenants, failure to pay certain judgments and certain events of bankruptcy, insolvency and reorganization. If an event of default occurs and is continuing, the principal amount of the Senior Notes, plus accrued and unpaid interest, if any, may be declared immediately due and payable. These amounts automatically become due and payable if an event of default relating to certain events of bankruptcy, insolvency or reorganization occurs. As of March 31, 2019, we were in compliance with all covenants.

Contractual coupon interest expense and accretion of discount and fees for the Senior Notes for the three months ended March 31, 2019, and 2018 was \$4.6 million in each period and is included in *Interest Expense* on our Condensed Consolidated Statements of Operations.

Revolving Credit Agreement

On December 21, 2018, we entered into the Second Amended and Restated Credit Agreement (the "Revolving Credit Agreement"), among us, certain of our subsidiaries as borrowers (together with the Company, the "Borrowers"), the lenders from time to time party thereto, Wells Fargo Capital Finance, LLC, as the administrative agent, joint lead arranger and joint bookrunner (the "Revolver Agent"), and Citizens Business Capital, a division of Citizens Asset Finance, Inc., as syndication agent, joint lead arranger and joint bookrunner, which amended and restated our existing amended and restated revolving credit agreement, dated as of May 8, 2012.

The Revolving Credit Agreement is guaranteed by certain of our subsidiaries (the "Revolver Guarantors") and is secured by (i) first priority security interests (subject only to customary permitted liens and certain other permitted liens) in substantially all personal property of the Borrowers and the Revolver Guarantors, consisting of accounts receivable, inventory, cash, deposit and securities accounts and any cash or other assets in such accounts and, to the extent evidencing or otherwise related to such property, all general intangibles, licenses, intercompany debt, letter of credit rights, commercial tort claims, chattel paper, instruments, supporting obligations, documents and payment intangibles (collectively, the "Revolver Priority Collateral"), and (ii) second-priority liens on and security interests in (subject only to the liens securing the Term Loan Credit Agreement (as defined below), customary permitted liens and certain other permitted liens) (A) equity interests of each direct subsidiary held by the Borrowers and each Revolver Guarantor (subject to customary limitations in the case of the equity of foreign subsidiaries), and (B) substantially all other tangible and intangible assets of the Borrowers and the Revolver Guarantors including equipment, general intangibles, intercompany notes, insurance policies, investment property and intellectual property (in each case, except to the extent constituting Revolver Priority Collateral), but excluding real property (collectively, including certain material owned real property that does not constitute collateral under the Revolving Credit Agreement, the "Term Priority Collateral"). The respective priorities of the security interests securing the Revolving Credit Agreement and the Term Loan Credit Agreement are governed by an Intercreditor Agreement, dated as of May 8, 2012, between the Revolver Agent and the Term Agent (as defined below), as amended (the "Intercreditor Agreement"). The Revolving Credit Agreement has a scheduled maturity date of December 21, 2023, subject to certain springing maturity events.

Under the Revolving Credit Agreement, the lenders agree to make available to us a \$175 million revolving credit facility. We have the option to increase the total commitment under the facility to up to \$275 million, subject to certain conditions, including obtaining commitments from any one or more lenders, whether or not currently party to the Revolving Credit Agreement, to provide such increased amounts. Availability under the Revolving Credit Agreement will be based upon quarterly (or more frequent under certain circumstances) borrowing base certifications of the Borrowers' eligible inventory and eligible accounts receivable, and will be reduced by certain reserves in effect from time to time. Subject to availability, the Revolving Credit Agreement provides for a letter of credit subfacility in an amount not in excess of \$15 million, and allows for swingline loans in an amount not in excess of \$17.5 million. Outstanding borrowings under the Revolving Credit agreement will bear interest at an annual rate, at the Borrowers' election, equal to (i) LIBOR plus a margin ranging from 1.25% to 1.75% or (ii) a base rate plus a margin ranging from 0.25% to 0.75%, in each case depending upon the monthly average excess availability under the revolving loan facility. The Borrowers are required to pay a monthly unused line fee equal to 0.20% times the average daily unused availability along with other customary fees and expenses of the Revolver Agent and the lenders.

The Revolving Credit Agreement contains customary covenants limiting our ability and certain of our affiliates to, among other things, pay cash dividends, incur debt or liens, redeem or repurchase stock, enter into transactions with affiliates, merge, dissolve, repay subordinated indebtedness, make investments and dispose of assets. In addition, we will be required to maintain a minimum

fixed charge coverage ratio of not less than 1.0 to 1.0 as of the end of any period of 12 fiscal months (commencing with the month ending December 31, 2018) when excess availability under the Revolving Credit Agreement is less than 10% of the total revolving commitment.

If availability under the Revolving Credit Agreement is less than 15% of the total revolving commitment or if there exists an event of default, amounts in any of the Borrowers' and the Revolver Guarantors' deposit accounts (other than certain excluded accounts) will be transferred daily into a blocked account held by the Revolver Agent and applied to reduce the outstanding amounts under the facility.

Subject to the terms of the Intercreditor Agreement, if the covenants under the Revolving Credit Agreement are breached, the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding and foreclose on collateral. Other customary events of default in the Revolving Credit Agreement include, without limitation, failure to pay obligations when due, initiation of insolvency proceedings, defaults on certain other indebtedness, and the incurrence of certain judgments that are not stayed, satisfied, bonded or discharged within 30 days. As of March 31, 2019, we were in compliance with all covenants of the Credit Agreement.

Term Loan Credit Agreement

In May 2012, we entered into the Term Loan Credit Agreement (as amended, the "Term Loan Credit Agreement"), dated as of May 8, 2012, among us, the several lenders from time to time party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent (the "Term Agent"), joint lead arranger and joint bookrunner, and Wells Fargo Securities, LLC, as joint lead arranger and joint bookrunner, which provides for, among other things, (x) a senior secured term loan of \$188.0 million that matures on March 19, 2022, subject to certain springing maturity events (the "Term Loans"), and (y) an uncommitted accordion feature to provide for additional senior secured term loans of up to \$75 million plus an unlimited amount provided that the senior secured leverage ratio would not exceed 3.00 to 1.00, subject to certain conditions (the "Term Loan Facility").

On November 17, 2017, we entered into Amendment No. 5 to the Term Loan Credit Agreement ("Amendment No. 5"). As of the Amendment No. 5 date, \$188.0 million of the Term Loans were outstanding. Under Amendment No. 5, the lenders agreed to provide us term loans in the same aggregate principal amount of the outstanding Term Loans (the "Tranche B-4 Loans"), which were used to refinance the outstanding Term Loans.

The Tranche B-4 Loans shall amortize in equal quarterly installments in aggregate amounts equal to 0.25% of the initial principal amount of the Tranche B-4 Loans, with the balance payable at maturity, and bear interest at a rate, at our election, equal to (i) LIBOR (subject to a floor of 0%) plus a margin of 225 basis points or (ii) a base rate (subject to a floor of 0%) plus a margin of 125 basis points. We are not subject to any financial covenants under the Term Loan Facility.

The Term Loan Credit Agreement is guaranteed by certain of the Company's subsidiaries, and is secured by (i) first-priority liens on and security interests in the Term Priority Collateral, and (ii) second-priority security interests in the Revolver Priority Collateral.

The Term Loan Credit Agreement contains customary covenants limiting our ability to, among other things, pay cash dividends, incur debt or liens, redeem or repurchase stock, enter into transactions with affiliates, merge, dissolve, pay off subordinated indebtedness, make investments and dispose of assets. Subject to the terms of the Intercreditor Agreement, if the covenants under the Term Loan Credit Agreement are breached, the lenders may, subject to various customary cure rights, require the immediate payment of all amounts outstanding and foreclose on collateral. Other customary events of default in the Term Loan Credit Agreement include, without limitation, failure to pay obligations when due, initiation of insolvency proceedings, defaults on certain other indebtedness, and the incurrence of certain judgments that are not stayed, satisfied, bonded or discharged within 60 days. As of March 31, 2019, we were in compliance with all covenants.

For the three month period ended March 31, 2019 and 2018, under the Term Loan Credit Agreement we paid interest of \$2.2 million and \$1.8 million, respectively, and principal of \$0.5 million during each period. As of March 31, 2019, we had \$185.2 million outstanding under the Term Loan Credit Agreement, of which \$1.9 million was classified as current on our Condensed Consolidated Balance Sheet.

For each three-month period ended March 31, 2019 and 2018, we incurred charges of less than \$0.1 million for amortization of fees and original issuance discount, which is included in Interest Expense in the Condensed Consolidated Statements of Operations.

Cash Flows

Cash provided by operating activities for the first three months of 2019 totaled \$33.8 million, compared to using \$12.0 million during the same period in 2018. The cash provided by operations during the current year period was the result of net income adjusted for various non-cash activities including depreciation, amortization, loss on the sale of assets, deferred taxes, stock-based compensation, accretion of debt discount, and a \$6.2 million decrease in working capital. Changes in key working capital accounts for 2019 and 2018 are summarized below (in thousands):

	Three Months Ended March 31,		Change
	2019	2018	
Source (Use) of cash:			
Accounts receivable	\$ (4,681)	\$ (45,910)	\$ 41,229
Inventories	(72,576)	(58,383)	(14,193)
Accounts payable and accrued liabilities	84,770	63,943	20,827
Net use of cash	<u>\$ 7,513</u>	<u>\$ (40,350)</u>	<u>\$ 47,863</u>

Accounts receivable increased by \$4.7 million in the first three months of 2019 as compared to \$45.9 million in the prior year period. Days sales outstanding, a measure of working capital efficiency that measures the amount of time a receivable is outstanding, was 31 days in 2019 as compared to 35 days in the same period in 2018. The increase in accounts receivable during the first three months of 2019 was primarily due to increased demand, as well as timing of shipments. Inventory increased by \$72.6 million during the first three months of 2019 as compared to \$58.4 million in the 2018 period. Our inventory turns, a commonly used measure of working capital efficiency that measures how quickly inventory turns per year, was approximately 10 times in the 2019 period, and 8 times in the 2018 period. The increase in inventory for the 2019 period was primarily due to higher finished goods and raw materials inventory resulting from increased demand for the first three months of 2019. Accounts payable and accrued liabilities increased by \$84.8 million in 2019 compared to an increase of \$63.9 million for the same period in 2018. Days payable outstanding, a measure of working capital efficiency that measures the amount of time a payable is outstanding, was 45 days in 2019 as compared to 31 days in the same period in 2018. The increase during the first three months of 2019 was primarily due to continued strong production levels and purchasing activities required to meet current demand.

Investing activities used \$6.8 million during the first three months of 2019, as compared to providing \$6.5 million in the same period in 2018. Investing activities for the first three months of 2019 include capital expenditures of \$6.8 million. Investing activities for the prior year period were primarily related to proceeds from the sale of assets totaling \$12.6 million, partially offset by capital expenditures of \$6.1 million.

Financing activities used \$7.8 million during the first three months of 2019 as compared to \$27.1 million in the same period in 2018. Cash used in financing activities during the current year period primarily relates to cash dividends paid to our shareholders of \$4.6 million and common stock repurchases of \$2.6 million. Cash used in financing activities in the first three months of 2018 primarily relates to the repurchase of Convertible Notes totaling \$17.2 million, common stock repurchases of \$5.4 million and cash dividends paid to our shareholders of \$4.7 million.

As of March 31, 2019, our liquidity position, defined as cash on hand and available borrowing capacity, amounted to \$319.1 million, representing a decrease of \$3.1 million compared to March 31, 2018 and an increase of \$19.6 million compared to December 31, 2018. Total debt and finance lease obligations amounted to \$505.6 million as of March 31, 2019. As we continue to see a strong demand environment within the trailer industry and excellence in operational performance across all of our business segments, we believe our liquidity is adequate to fund our currently planned operations, working capital needs and capital expenditures for the remainder of 2019.

Capital Expenditures

Capital spending amounted to \$6.8 million for the first three months of 2019 and is anticipated to be approximately \$45 million for 2019. Capital spending for 2019 has been and is expected to continue to be primarily utilized to support maintenance, growth, and productivity improvement initiatives within our facilities.

Contractual Obligations and Commercial Commitments

A summary of payments of our contractual obligations and commercial commitments, both on and off balance sheet, as of March 31, 2019 are as follows (in thousands):

	2019	2020	2021	2022	2023	Thereafter	Total
Debt:							
Revolving Facility (due 2020)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Term Loan Credit Facility (due 2022)	1,410	1,880	1,880	180,057	—	—	185,227
Senior Notes (due 2025)	—	—	—	—	—	325,000	325,000
Finance Leases (including principal and interest)	271	361	361	30	—	—	1,023
Total debt	1,681	2,241	2,241	180,087	—	325,000	511,250
Other:							
Operating Leases	3,074	3,289	2,708	1,480	1,266	1,812	13,629
Total other	3,074	3,289	2,708	1,480	1,266	1,812	13,629
Other commercial commitments:							
Letters of Credit	7,769	—	—	—	—	—	7,769
Raw Material Purchase Commitments	144,884	—	—	—	—	—	144,884
Chassis Converter Pool Agreements	28,801	—	—	—	—	—	28,801
Total other commercial commitments	181,454	—	—	—	—	—	181,454
Total obligations	\$ 186,209	\$ 5,530	\$ 4,949	\$ 181,567	\$ 1,266	\$ 326,812	\$ 706,333

Scheduled payments for our Credit Facility exclude interest payments as rates are variable. Borrowings under the Credit Facility bear interest at a variable rate based on the London Interbank Offer Rate (LIBOR) or a base rate determined by the lender's prime rate plus an applicable margin, as defined in the agreement. Outstanding borrowings under the Credit Facility bear interest at a rate, at our election, equal to (i) LIBOR plus a margin ranging from 1.50% to 2.00% or (ii) a base rate plus a margin ranging from 0.50% to 1.00%, in each case depending upon the monthly average excess availability under the Credit Facility. We are required to pay a monthly unused line fee equal to 0.25% times the average daily unused availability along with other customary fees and expenses of our agent and lenders.

Scheduled payments for our Term Loan Credit Agreement, as amended, exclude interest payments as rates are variable. Borrowings under the Term Loan Credit Agreement, as amended, bear interest at a variable rate, at our election, equal to (i) LIBOR (subject to a floor of 0.00%) plus a margin of 2.25% or (ii) a base rate plus a margin of 1.25%. The Term Loan Credit Agreement matures in March 2022, subject to certain springing maturity events.

Scheduled payments for our Senior Notes exclude interest payments. The Notes bear interest at the rate of 5.5% per annum from the date of issuance, payable semi-annually on April 1 and October 1.

Finance leases represent future minimum lease payments including interest. Operating leases represent the total future minimum lease payments.

We have standby letters of credit totaling \$7.8 million issued in connection with workers compensation claims and surety bonds.

We have \$144.9 million in purchase commitments with our suppliers and through financial derivatives through December 2019 for various raw material commodities, including aluminum, steel, nickel and polyethylene as well as other raw material components which are within normal production requirements.

We, through our subsidiary Supreme, obtain most vehicle chassis for our specialized vehicle products directly from the chassis manufacturers under converter pool agreements. Chassis are obtained from the manufacturers based on orders from customers, and to a lesser extent, for unallocated orders. Although each manufacturer's agreement has different terms and conditions, the agreements generally state that the manufacturer will provide a supply of chassis to be maintained from time to time at our various facilities with the condition that we will store such chassis and will not move, sell, or otherwise dispose of such chassis except under the terms of the agreement. The manufacturer transfers the chassis to us on a "restricted basis," retaining the sole authority to authorize commencement of work on the chassis and to make certain other decisions with respect to the chassis including the terms and pricing of sales of the chassis to the manufacturer's dealers. The manufacturer also does not transfer the certificate of origin to us nor permit us to sell or transfer the chassis to anyone other than the manufacturer (for ultimate resale to a dealer). Although we are party to related finance agreements with manufacturers, we have not historically settled, nor expect to in the future settle, any related obligations in cash. Instead, the obligation is settled by the manufacturer upon reassignment of the chassis to an accepted dealer, and the dealer is invoiced for the chassis by the manufacturer. Accordingly, as of March 31, 2019 our outstanding chassis converter pool with the manufacturer totaled \$22.9 million and we have included this financing agreement on our consolidated balance sheets within *prepaid expenses and other* and *other accrued liabilities*. All other chassis programs through

our Supreme subsidiary are handled as consigned inventory belonging to the manufacturer and totaled approximately \$5.9 million. Under these agreements, if the chassis is not delivered to a customer within a specified time frame we are required to pay a finance or storage charge on the chassis. Additionally, we receives finance support funds from the manufacturer when the chassis are assigned into our chassis pool. Typically, chassis are converted and delivered to customers within 90 days of the receipt of the chassis.

Backlog

Orders that have been confirmed by customers in writing, have defined delivery timeframes and can be produced during the next 18 months are included in our backlog. Orders that comprise our backlog may be subject to changes in quantities, delivery, specifications, terms or cancellation. Our backlog of orders was \$1.6 billion at March 31, 2019 compared to \$1.8 billion at December 31, 2018 and \$1.3 billion at March 31, 2018. We expect to complete the majority of our backlog orders as of March 31, 2019 within 12 months of this date.

Outlook

The demand environment for trailers remained strong through the first quarter of 2019, as evidenced by our strong backlog and a trailer demand forecast by industry forecasters above replacement demand levels for the next several years. Recent estimates from industry analysts, ACT Research Company (“ACT”) and FTR Associates (“FTR”), forecast trailer demand for 2019 and beyond to remain healthy. ACT currently estimates trailer production to be approximately 330,600 trailers for 2019, representing an increase of 2.4% as compared to 2018, and forecasting continued demand levels to be above replacement demand into the foreseeable future with estimated demand for 2020 to be approximately 275,200 and annual average demand for the four-year period ending 2024 to be approximately 271,300 new trailers. FTR anticipates new trailer production to be approximately 315,000 new trailers in 2019, representing a decrease of 0.7% as compared to 2018 as well as projecting a decrease in 2020 with production totaling 285,000 trailers. In spite of a strong forecasted demand environment, there remain downside risks relating to issues with both the domestic and global economies, including the housing, energy and construction-related markets in the U.S.

Other potential risks we face for the remainder of 2019 will primarily relate to our ability to effectively manage our manufacturing operations as well as the cost and supply of raw materials, commodities and components. Significant increases in the cost of certain commodities, raw materials or components have had and may continue to have an adverse effect on our results of operations. As has been our practice, we will endeavor to pass raw material and component price increases to our customers in addition to continuing our cost management and hedging activities in an effort to minimize the risk changes in material costs could have on our operating results. In addition, we rely on a limited number of suppliers for certain key components and raw materials in the manufacturing of our products, including tires, landing gear, axles, suspensions, aluminum extrusions, specialty steel coil, and chassis. At the current and expected demand levels, there may be shortages of supplies of raw materials or components which would have an adverse impact on our ability to meet demand for our products.

We believe we remain well-positioned for long-term success in the trailer industry because: (1) our core customers are among the dominant participants in the trucking industry; (2) our DuraPlate® and other industry leading brand trailers continue to have a strong market acceptance; (3) our focus is on developing solutions that reduce our customers’ trailer maintenance and operating costs providing the best overall value; and (4) our presence throughout North America utilizing our extensive dealer network to market and sell our products. Continuing to identify attractive opportunities to leverage our core competencies, proprietary technology and core manufacturing expertise into new applications and end markets enables us to deliver greater value to our customers and stakeholders.

Critical Accounting Policies and Estimates

We have included a summary of our Critical Accounting Policies and Estimates in our Annual Report on Form 10-K for the year ended December 31, 2018. There have been no material changes to the summary provided in that report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

In addition to the risks inherent in our operations, we have exposure to financial and market risk resulting from volatility in commodity prices, interest rates and foreign exchange rates. The following discussion provides additional detail regarding our exposure to these risks.

Commodity Prices

We are exposed to fluctuation in commodity prices through the purchase of various raw materials that are processed from commodities such as aluminum, steel, lumber, nickel, copper and polyethylene. Given the volatility of certain commodity prices, this exposure can significantly impact product costs. We manage some of our commodity price changes by entering into fixed price contracts with our suppliers and through financial derivatives. As of March 31, 2019, we had \$144.9 million in raw material purchase commitments

through December 2019 for materials that will be used in the production process, as compared to \$107.0 million as of December 31, 2018. We typically do not set prices for our products more than 45-90 days in advance of our commodity purchases and can, subject to competitive market conditions, take into account the cost of the commodity in setting our prices for each order. To the extent that we are unable to offset the increased commodity costs in our product prices, our results would be materially and adversely affected.

Interest Rates

As of March 31, 2019, we had no floating rate debt outstanding under our Revolving Credit Facility and for the first quarter of 2019 we maintained no floating rate borrowings under our Revolving Credit Facility. In addition, as of March 31, 2019, we had outstanding borrowings under our Term Loan Credit Agreement, as amended, totaling \$185.2 million that bear interest at a floating rate, subject to a minimum interest rate. Based on the average borrowings under our revolving facility and the outstanding indebtedness under our Term Loan Credit Agreement a hypothetical 100 basis-point change in the floating interest rate would result in a corresponding change in interest expense over a one-year period of \$1.9 million. This sensitivity analysis does not account for the change in the competitive environment indirectly related to the change in interest rates and the potential managerial action taken in response to these changes.

Foreign Exchange Rates

We are subject to fluctuations in the British pound sterling and Mexican peso exchange rates that impact transactions with our foreign subsidiaries, as well as U.S. denominated transactions between these foreign subsidiaries and unrelated parties. A ten percent change in the British pound sterling or Mexican peso exchange rates would have an immaterial impact on results of operations. We do not hold or issue derivative financial instruments for speculative purposes.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) were effective as of March 31, 2019.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the first quarter of fiscal year 2019 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Part II - OTHER INFORMATION

Item 1. Legal Proceedings

See Item 3 of Part I of our Annual Report on Form 10-K for the year ended December 31, 2018. See also Note 11, "Contingencies", to our unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report.

Item 1A. Risk Factors

You should carefully consider the risks described in our Annual Report on Form 10-K, for the year ended December 31, 2018, including those under the heading "Risk Factors" appearing in Item 1A of Part I of the Form 10-K and other information contained in this Quarterly Report before investing in our securities. In addition, the following risk factor is provided to supplement and update the Risk Factors previously disclosed in the Risk Factors section of our Annual Report on Form 10-K. Realization of any of these risks could have a material adverse effect on our business, financial condition, cash flows and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Our Equity Securities

In November 2018, the Company announced that the Board of Directors approved the repurchase of an additional \$100 million in shares of common stock over a three year period. For the quarter ended March 31, 2019, we did not repurchase any shares pursuant to our repurchase program. However, during this period there were 182,648 shares repurchased to cover minimum employee tax withholding obligations upon the vesting of restricted stock awards.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Amount That May Yet Be Purchased Under the Plans or Programs (\$ in millions)
January 2019	0	\$ 0.00	0	\$ 100.0
February 2019	181,949	\$ 14.43	0	\$ 100.0
March 2019	699	\$ 13.15	0	\$ 100.0
Total	182,648	\$ 14.43	0	\$ 100.0

Item 6. Exhibits

 (a) Exhibits

[31.01](#) [Certification of Principal Executive Officer](#)

[31.02](#) [Certification of Principal Financial Officer](#)

[32.01](#) [Written Statement of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 \(18 U.S.C. Section 1350\)](#)

101 Interactive Data File Pursuant to Rule 405 of Regulation S-T

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WABASH NATIONAL CORPORATION

Date: May 1, 2019

By: /s/ Jeffery L. Taylor
Jeffery L. Taylor
Senior Vice President and Chief Financial Officer (Principal
Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brent L. Yeagy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wabash National Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2019

By: /s/ Brent L. Yeagy

Brent L. Yeagy

President and Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jeffery L. Taylor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Wabash National Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2019

By: /s/ Jeffery L. Taylor

Jeffery L. Taylor

Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

**Written Statement of Chief Executive Officer and Chief Financial Officer
Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350)**

The undersigned, the President and Chief Executive Officer and the Senior Vice President, Chief Financial Officer of Wabash National Corporation (the "Company"), each hereby certifies that, to his knowledge, on May 1, 2019 :

- (a) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2019 , filed on May 1, 2019 with the Securities and Exchange Commission (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brent L. Yeagy

Brent L. Yeagy

President and Chief Executive Officer

May 1, 2019

/s/ Jeffery L. Taylor

Jeffery L. Taylor

Senior Vice President and Chief Financial Officer

May 1, 2019

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Wabash National Corporation and will be retained by Wabash National Corporation and furnished to the Securities and Exchange Commission or its staff upon request.