DOUGLAS DYNAMICS, INC
Form S-1
January 29, 2010

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As filed with the Securities and Exchange Commission on January 29, 2010

Registration Number 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-1

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

DOUGLAS DYNAMICS, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**3531**	**134275891**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

**7777 North 73rd Street
Milwaukee, Wisconsin 53233
(414) 354-2310**

(Address, including zip code, and telephone number, including area code, of registrant's of principal executive offices)

**James L. Janik
President and Chief Executive Officer
Douglas Dynamics, Inc.
7777 North 73rd Street
Milwaukee, Wisconsin 53233
(414) 354-2310**

(Name, address and telephone number, including area code, of agent for service)

Copies to:

Bruce D. Meyer **Ari B. Lanin** **Gibson, Dunn & Crutcher LLP** **333 South Grand Avenue** **Los Angeles, CA 90071** **(213) 229-7000**	**Gregg A. Noel** **Skadden, Arps, Slate, Meagher & Flom LLP** **300 South Grand Avenue** **Los Angeles, CA 90071** **(213) 687-5000**

As soon as practicable after this Registration Statement becomes effective.
(Approximate date of commencement of proposed sale to the public)

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ý (Do not check if a smaller reporting company)	Smaller reporting company o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Proposed Maximum Aggregate Offering Price(1)(2)**	**Amount of Registration Fee**
Common Stock, $.01 par value	$150,000,000	$10,695

(1) Estimated solely for the purpose of computing the amount of the registration fee, in accordance with Rule 457(o) promulgated under the Securities Act of 1933.

(2) Includes offering price of additional shares that the underwriters have the option to purchase. See "Underwriting."

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

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The information in this prospectus is not complete and may be changed. We and the selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED , 2010

Shares

Douglas Dynamics, Inc.

Common Stock

This is the initial public offering of our common stock. We are selling shares of common stock and the selling stockholders are selling shares of common stock. We will not receive any proceeds from the sale of shares of common stock by the selling stockholders. Prior to this offering there has been no public market for our common stock. The initial public offering price of our common stock is expected to be between $ and $ per share. We will apply to list our common stock on the New York Stock Exchange under the symbol " ."

The underwriters have a 30-day option to purchase on a pro rata basis up to additional shares from us and an aggregate of additional outstanding shares from the selling stockholders to cover over-allotments of shares.

Investing in our common stock involves risks. See "Risk Factors" beginning on page 15.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Douglas Dynamics Holdings, Inc.	Proceeds to to Selling Stockholders
Per Share	$	$	$	$
Total	$	$	$	$

Delivery of the shares of our common stock will be made on or about , 2010.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse **Oppenheimer & Co.**

Baird **Piper Jaffray**

The date of this prospectus is , 2010.

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with information that is different. The information in this prospectus may only be accurate as of the date on the front cover of this prospectus. This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities offered hereby in any jurisdiction where, or to any person to whom, it is unlawful to make such offer or solicitation.

Information contained in this prospectus concerning the snow and ice control equipment industry for pickup trucks and sport utility vehicles, which we refer to as "light trucks" in this prospectus, our general expectations concerning this industry and our market positions and other market share data regarding this industry are based on estimates our management prepared using end-user surveys, anecdotal data from our distributors and distributors that carry our competitors' products, our results of operations and management's past experience, and on assumptions made by our management, based on its knowledge of this industry, all of which we believe to be reasonable. These estimates and assumptions are inherently subject to uncertainties and may prove to be inaccurate. In addition, we have not independently verified the information from any third-party source, although management also believes such information to be reasonable.

"WESTERN," "FISHER" and "BLIZZARD" and their respective logos are trademarks. Solely for convenience, from time to time we refer to our trademarks in this prospectus without the ® symbols, but such references are not intended to indicate that we will not assert, to the fullest extent under applicable law, our rights to our trademarks.

Dealer Prospectus Delivery Obligation

Until , 2010 (25 days after the commencement of this offering), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to their unsold allotments or subscriptions.

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PROSPECTUS SUMMARY

The following summary should be read together with, and is qualified in its entirety by, the more detailed information and financial statements and related notes included elsewhere in this prospectus. The following summary does not contain all of the information you should consider before investing in our common stock. For a more complete understanding of this offering, we encourage you to read this entire prospectus, including the "Risk Factors" section, before making an investment in our common stock.

In this prospectus, unless the context indicates otherwise: "Douglas Dynamics," the "Company," "we," "our," "ours" or "us" refers to Douglas Dynamics, Inc. (formerly known as Douglas Dynamics Holdings, Inc.), a Delaware corporation ("Douglas Holdings"), the issuer of the common stock being offered hereby, and its subsidiaries; the "Aurora Entities" refers to Aurora Equity Partners II L.P., a Delaware limited partnership and Aurora Overseas Equity Partners II, L.P., a Cayman Islands exempt limited partnership; "Ares" refers to Ares Corporate Opportunities Fund, L.P., a Delaware limited partnership; our "principal stockholders" refers to the Aurora Entities and Ares, collectively; and the "selling stockholders" refer to our principal stockholders together with certain co-investors who will be selling shares of our common stock in this offering as described in "Principal and Selling Stockholders."

Our Company

We are the North American leader in the design, manufacture and sale of snow and ice control equipment for light trucks, which consists of snowplows and sand and salt spreaders, and related parts and accessories. We sell our products under the WESTERN®, FISHER® and BLIZZARD® brands which are among the most established and recognized in the industry. We believe that in 2009 our share of the light truck snow and ice control equipment market was greater than 50%. In the first nine months of 2009, we generated net sales, Adjusted EBITDA (as defined in " Summary Historical Consolidated Financial and Operating Data") and net income of $125.2 million, $28.0 million and $2.7 million, respectively. See " Summary Historical Consolidated Financial and Operating Data" for a discussion of why management uses Adjusted EBITDA to measure our financial performance, and a reconciliation of net income to Adjusted EBITDA.

We offer the broadest and most complete product line of snowplows and sand and salt spreaders for light trucks in the U.S. and Canadian markets. Our snowplows use custom-designed mounts which allow each of our snowplow models to be used on a variety of light truck brands and models. In addition, we manufacture a broad portfolio of hopper and tailgate-mounted sand and salt spreaders that are used for snow and ice control on driveways, roads and parking lots. We also provide a full range of related parts and accessories, which generates an ancillary revenue stream throughout the lifecycle of our snow and ice control equipment. The following charts highlight our net sales by product type and brand for the nine months ended September 30, 2009:

Net Sales by Product Type

Net Sales by Brand

We sell our products through a distributor network primarily to professional snowplowers who are contracted to remove snow and ice from commercial, municipal and residential areas. Because of the short snow season (which we calculate as running from October 1 through March 31), unpredictability of snowfall events and the difficult weather conditions under which our end-users operate, our

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end-users have a fairly limited time frame in which to generate income. Accordingly, our end-users demand a high degree of quality, reliability and service. Over the last 50 years, we have engendered exceptional customer loyalty for our products because of our ability to satisfy the stringent demands of our customers. As a result, we believe our installed base is the largest in the industry with over 500,000 snowplows and sand and salt spreaders in service. Because sales of snowplows and sand and salt spreaders are primarily driven by the need of our core end-user base to replace worn existing equipment, we believe our substantial installed base provides us with a high degree of predictable sales over any extended period of time.

We believe we have the industry's most extensive North American distributor network, which primarily consists of over 720 truck equipment distributors who purchase directly from us located throughout the snowbelt regions in North America (primarily the Midwest, East and Northeast regions of the United States as well as all provinces of Canada). We have longstanding relationships with many of our distributors, with an average tenure of 15 years. Beginning in 2005, we began to extend our reach to international markets, establishing distribution relationships in Northern Europe and Asia, where we believe meaningful growth opportunities exist. A breakdown of our distributor base is reflected in the table below:

Distributors by Region

Note:

Distribution not represented on map includes China (1), Finland (2), Korea (1), Scotland (1), Northern Ireland (1), and Australia (1).

We believe we are the industry's most operationally efficient manufacturer due to our vertical integration, highly variable cost structure and intense focus on lean manufacturing. We continually seek to use lean principles to reduce costs and increase the efficiency of our manufacturing operations. From 2002 to 2008, we have increased our gross profit per unit by approximately 3.0% per annum, compounded annually. While we currently manufacture our products in three facilities that we own in Milwaukee, Wisconsin, Rockland, Maine and Johnson City, Tennessee, we have improved our manufacturing efficiency to the point that we will be closing our Johnson City, Tennessee facility effective mid-2010. We expect that the closing of this facility will yield estimated cost savings of approximately $4 million annually, with no anticipated reduction in production capacity. Furthermore, our manufacturing efficiency allows us to deliver desired products quickly to our customers during times of sudden and unpredictable snowfall events, when our customers need our products immediately.

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Our ability to deliver products on a rapid and efficient basis through lean manufacturing allows us to both better serve our existing customer base and capture new customers from competitors who we believe cannot service their customers' needs with the same speed and reliability.

Our Industry

The light truck snow and ice control equipment industry in North America consists predominantly of domestic participants that manufacture their products in North America. Snowplow sales account for a significant portion of snow and ice control equipment sales for light trucks, with sand and salt spreader sales accounting for a lesser portion. The annual demand for snow and ice control equipment is driven primarily by the replacement cycle of the existing installed base, which is predominantly a function of the average life of a snowplow or spreader and is driven by usage and maintenance practices of the end-user. We believe actively-used snowplows are typically replaced, on average, every 7 to 8 years.

The primary factor influencing the replacement cycle for snow and ice control equipment is the level, timing and location of snowfall. Sales of snow and ice control equipment in any given year and region are most heavily influenced by local snowfall levels in the prior snow season. Heavy snowfall during a given winter causes equipment usage to increase, resulting in greater wear and tear and shortened life cycles, thereby creating a need for replacement equipment and additional parts and accessories. Moreover, in our experience, the timing of snowfall in a given winter also influences our end-users' decision-making process. Because an early snowfall can be viewed as a sign of a heavy upcoming snow season, our end-users may respond to an early snowfall by purchasing replacement snow and ice control equipment earlier than they otherwise might have. Alternatively, light snowfall during a given winter season may cause equipment usage to decrease, extending its useful life, and delaying replacement equipment purchases.

While snowfall levels vary within a given year and from year-to-year, snowfall, and the corresponding replacement cycle of snow and ice control equipment, is relatively consistent over multi-year periods. The following chart depicts aggregate annual and eight-year (based on the typical life of our snowplows) rolling average of the aggregate snowfall levels in 66 cities in 26 snowbelt states across the Northeast, East, Midwest and Western United States where we monitor snowfall levels) from 1980 to 2009. As the chart indicates, since 1982 aggregate snowfall levels in any given rolling eight-year period have been fairly consistent, ranging from 2,742 to 3,295 inches.

Snowfall in Snowbelt States (inches)

(for October 1 through March 31)

Note: The 8-year rolling average snowfall is not presented prior to 1982 for purposes of the calculation due to lack of snowfall data prior to 1975.

Source: National Oceanic and Atmospheric Administration's National Weather Service.

The demand for snow and ice control equipment can also be influenced by general economic conditions in the United States, as well as local economic conditions in the snowbelt regions in North America. In stronger economic conditions, our end-users may choose to replace or upgrade existing equipment before its useful life has ended, while in weak economic conditions, our end-users may seek

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to extend the useful life of equipment, thereby increasing the sales of parts and accessories. However, since snow and ice control management is a non-discretionary service necessary to ensure public safety and continued personal and commercial mobility in populated areas that receive snowfall, end-users cannot extend the useful life of snow and ice control equipment indefinitely and must replace equipment that has become too worn, unsafe or unreliable, regardless of economic conditions.

Sales of parts and accessories for 2008 were approximately 85% higher than average annual parts and accessories sales over the preceding ten years, which management believes is a result of the deferral of new equipment purchases due to the recent economic downturn. Although sales of snow and ice control units increased in 2008 as compared to 2007, management believes that absent the recent economic downturn, equipment sales in 2008 would have been considerably higher due to the high levels of snowfall during the year, as equipment unit sales in 2008 remained below the ten-year average, while snowfall levels in 2008 were considerably above the ten-year average. Management believes this deferral of new equipment purchases could result in an elevated multi-year replacement cycle as the economy recovers.

Long-term growth in the overall snow and ice control equipment market also results from geographic expansion of developed areas in the snowbelt regions of North America, as well as consumer demand for technological enhancements in snow and ice control equipment and related parts and accessories that improves efficiency and reliability. Continued construction in the snowbelt regions in North America increases the aggregate area requiring snow and ice removal, thereby growing the market for snow and ice control equipment. In addition, the development and sale of more reliable, more efficient and more sophisticated product has contributed to an approximate 2% to 4% average unit price increase in each of the past five years.

Our Competitive Strengths

We are the North American market leader in snow and ice control equipment for light trucks with what we believe to be an industry leading installed base of over 500,000 snowplows and sand and salt spreaders in service. We compete solely with other North American manufacturers who do not benefit from our extensive distributor network, manufacturing efficiencies and depth and breadth of products. As the market leader, we enjoy a set of competitive advantages versus smaller, more regionally-focused equipment providers which allows us to generate robust cash flows in all snowfall environments and to support continued investment in our products, distribution capabilities and brand regardless of annual volume fluctuations. We believe this advantage is rooted in the following competitive strengths and reinforces our industry leadership over time.

Exceptional Customer Loyalty and Brand Equity. Our brands enjoy exceptional customer loyalty and brand equity in the snow and ice control equipment industry with both end-users and distributors. We have developed this exceptional loyalty through over 50 years of superior innovation, productivity, reliability and support, consistently delivered season after season. We believe many of our end-users are second and third generation owners of our snow and ice control equipment. Our surveys find that past brand experience, rather than price, is the key factor impacting snowplow purchasing decisions. Because a professional snowplower can typically recoup the cost of a plow within a very short period of time, and in some cases, as a result of one major snowfall event, we believe quality, reliability and functionality are more important factors in our end-users' purchasing decisions than price. For example, our end-user survey found that less than 10% of commercial end-users cite price as a key factor in their purchase decision.

Broadest and Most Innovative Product Offering. We provide the industry's broadest product offering with a full range of snowplows, sand and salt spreaders and related parts and accessories. We believe we maintain the industry's largest and most advanced in-house new product development program, historically introducing several new and redesigned products each year. Our broad product offering and commitment to new product development is essential to maintaining and growing our leading market share position as well as continuing to increase the profitability of our business. We believe we have introduced or redesigned more efficient and productive products over the last five years (including the redesigned Fisher and Western V Plows in 2006 and the Fisher and Western Power Plows in 2007) than any of our competitors, driving increased value for our customers. Our products are covered by over 40 issued or pending U.S. and Canadian patents related to snow and ice control equipment technologies and other important product features and designs.

Extensive North American Distributor Network. We benefit from having the most extensive North American direct distributor network in the industry, providing a significant competitive advantage over our peers. We have over 720 direct distributor relationships which provide us with the ability to reach end-users throughout North America to achieve geographic diversification of sales that helps insulate us from annual variations in regional snowfall levels. Our distributors function not only as sales and support agents (providing access to parts and service), but also as industry partners providing real-time end-user information, such as retail inventory levels, changing consumer preferences or desired functionality enhancements, which we use as the basis for our product development efforts. We believe a majority of our distributors choose to sell our products exclusively, even though few are contractually required to do so. Despite the importance of our distributor network as a whole, no one distributor represents more than 5% of our net sales.

Leader in Operational Efficiency. We believe we are a leader in operational efficiency, resulting from our application of lean manufacturing principles and a highly variable cost structure. By utilizing lean principles, we are able to adjust production levels easily to meet fluctuating demand, while controlling costs in slower periods. This operational efficiency is supplemented by our highly variable cost structure, driven in part by our access to a sizable temporary workforce (comprising approximately 10-15% of our total workforce), which we can quickly adjust, as needed. As a result of our operational efficiency, we have increased our gross profit per unit by approximately 3.0% per annum, compounded annually, from 2002 to 2008. The upcoming closure of our Johnson City, Tennessee manufacturing facility, which we believe will save us approximately $4 million annually without a loss of production capacity, demonstrates the success of our lean initiatives. These manufacturing efficiencies enable us to respond rapidly to urgent customer demand during times of sudden and unpredictable snowfalls, allowing us to provide exceptional service to our existing customer base and capture new customers from competitors who we believe cannot service their customers' needs with the same speed and reliability.

Strong Cash Flow Generation. We are able to generate significant cash flow as a result of relatively consistent high profitability (Adjusted EBITDA margins averaged 27.3% from 2004 to 2008), low capital spending requirements and predictable timing of our working capital requirements. We have historically been able to pass through increases in raw material prices, including steel surcharges when necessary, to maintain our profitability. Our cash flow results will also benefit substantially from approximately $18 million of annual tax-deductible intangible and goodwill expense over the next ten years, which has the impact of reducing our corporate taxes owed by approximately $6.7 million on an annual basis. Our significant cash flow has allowed us to reinvest in our business, reduce indebtedness and pay substantial dividends to our stockholders.

Experienced Management Team. We believe our business benefits from an exceptional management team that is responsible for establishing our leadership in the snow and ice control equipment industry for light trucks. Our senior management team, consisting of four officers, has an average of approximately 19 years of weather-related industry experience and an average of approximately 10 years with our company. James Janik, our President and Chief Executive Officer, has been with us for over 17 years and in his current role since 2000, and through his strategic vision, we have been able to expand our distributor network and grow our market leading position.

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Our Business Strategy

Our business strategy is to capitalize on our competitive strengths to maximize cash flow to pay dividends, reduce indebtedness and reinvest in our business to create stockholder value. The building blocks of our strategy are:

Continuous Product Innovation. We believe new product innovation plays an essential role in maintaining and growing our market-leading position in the snow and ice control equipment industry. We will continue to focus on developing innovative solutions to increase productivity, ease of use, reliability, durability and serviceability of our products. Our product development teams are guided by extensive market research, as well as real time feedback from our distributors who provide valuable insight into changing customer preferences, desired functionality or product features. In addition, we have and will continue to incorporate lean manufacturing concepts into our product development process, which has allowed us to reduce the overall cost of development and, more importantly, reduced our time-to-market by nearly one-half. As a result of these efforts, approximately 50% of our 2009 sales came from products introduced or redesigned in the last five years.

Distributor Network Optimization. We will continually seek opportunities to optimize our portfolio of over 720 direct distributors by opportunistically adding high-quality, well-capitalized distributors in select geographic areas and by cross-selling our industry-leading brands within our distribution network to ensure we maximize our ability to generate revenue while protecting our industry leading reputation, customer loyalty and brands. Prospective distributors are rigorously screened before they are allowed to sell our snow and ice control products, allowing us to maintain relationships with only those distributors we believe to be the most reputable in the industry. Once selected, we strive to maintain close working relationships with our distributors and actively monitor their performance, quality of service and support and credit profiles. We also focus on further optimizing this network by providing in-depth training, valuable distributor support and attractive promotional and incentive opportunities. As a result of these efforts, we believe a majority of our distributors choose to sell our products exclusively. Over the last ten years, we have grown our network by over 300 distributors. We believe this sizable high quality network is unique in the industry, providing us with valuable insight into purchasing trends and customer preferences, and would be very difficult to replicate.

Aggressive Asset Management and Profit Focus. We will continue to aggressively manage our assets in order to maximize our cash flow generation despite seasonal and annual variability in snowfall levels. We believe our ability is unique in our industry and enables us to achieve attractive margins in all snowfall environments. Key elements of our asset management and profit focus strategies include:

- employment of a highly variable cost structure facilitated by a core group of workers that we supplement with a temporary workforce as volumes dictate, which allows us to quickly adjust costs in response to real-time changes in demand;

- use of enterprise-wide lean principles that allow us to easily ramp production levels up or down to meet demand;

- implementation of a pre-season order program, which incentivizes distributors to place orders prior to the retail selling season and thereby enables us to more efficiently utilize our assets; and

- development of a vertically integrated business model which we believe provides us cost advantages over our competition.

Additionally, although modest, our capital expenditure requirements and operating expenses can be temporarily reduced in response to anticipated or actual lower sales in a particular year to maximize cash flow.

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Flexible, Lean Enterprise Platform. We intend to utilize lean principles to maximize the flexibility and efficiency of our manufacturing operations while reducing the associated costs. Implementation of these principles has allowed us to substantially improve the productivity of our manufacturing processes through waste elimination and improved space utilization, creating a flexible environment capable of efficiently responding to large variations in end-user demand and delivering best-in-class customer service and responsiveness, thereby enabling us to increase distributor and end-user satisfaction. Moreover, in an environment where shorter lead times and near-perfect order fulfillment are important to our distributors, our lean processes have helped us to build a reputation for providing industry leading shipping performance. In 2009, we fulfilled 98.2% of our orders on or before the requested ship date, without error in content, packaging or delivery.

Our cost reduction efforts also include the rationalization of our supply base and implementation of a global sourcing strategy, resulting in approximately $2.1 million of cumulative annualized cost savings from 2006 to 2008. Since 2006, we have reduced our supply base by 36% from over 450 suppliers to approximately 288 today. In January 2009, we opened a sourcing office in China, which will become our central focus for specific component purchases and will provide a majority of our procurement cost savings in the future.

Our Growth Opportunities

Increase Our Industry Leading Market Share. We plan to leverage our industry leading position, distribution network and new product innovation capabilities to capture market share in the North American snow and ice control equipment market, focusing our primary efforts on increasing penetration in those North American markets where we believe our overall market share is less than 50%. We also plan to continue growing our presence in the snow and ice control equipment market outside of North America, particularly in Asia and Europe, which we believe could provide significant growth opportunities in the future.

Opportunistically Seek New Products and New Markets. We will consider external growth opportunities within the snow and ice control industry and other equipment or component markets. We plan to continue to evaluate acquisition opportunities within our industry that can help us expand our distribution reach, enhance our technology and as a consequence improve the breadth and depth of our product lines. In November 2005, we purchased Blizzard Corporation and its highly-patented, groundbreaking hinged plow technology and have also incorporated this technology into our Western and Fisher snowplows. We also consider diversification opportunities in adjacent markets that complement our business model and could offer us the ability to leverage our core competencies to create stockholder value.

Summary Risk Factors

An investment in our common stock involves a high degree of risk. You should carefully consider the risks summarized below, the risks described under "Risk Factors," and the other information contained in this prospectus, including our consolidated financial statements and the related notes, before deciding to purchase any shares of our common stock:

- our results of operations depend primarily on the level, timing and location of snowfall in the regions in which we offer our products;

- the seasonality and year-to-year variability of our business can cause our results of operations and financial condition to be materially different from quarter-to-quarter and from year-to-year;

- if economic conditions in the United States continue to remain weak or deteriorate further, our results of operations and ability to pay dividends may be adversely affected;

our failure to maintain good relationships with our distributors, the loss or consolidation of our distributor base or the actions or inactions of our distributors could have an adverse effect on our results of operations and ability to pay dividends;

if we are unable to develop new products or improve upon our existing products on a timely basis, our business and financial condition could be adversely affected;

if the price of steel increases, our gross margins could decline;

you may not receive the level of dividends provided for in the dividend policy that our Board of Directors will adopt or any dividends at all; and

satisfying our debt service obligations and paying dividends may leave us with insufficient cash to fund unexpected cash needs and growth.

Principal Stockholders

The Aurora Entities are affiliates of Aurora Capital Group and control the vote with respect to approximately 67.0% of our common stock, prior to giving effect to this offering. Ares is an affiliate of Ares Management LLC, which we refer to as Ares Management, and controls the vote with respect to approximately 33.0% of our common stock, prior to giving effect to this offering. After giving effect to this offering, the Aurora Entities and Ares will control the vote with respect to approximately % and % of our common stock, respectively.

Aurora Capital Group is a Los Angeles-based private equity firm managing over $2.0 billion that utilizes two distinct investment strategies. Aurora Equity focuses principally on control-investments in middle-market industrial, manufacturing and selected service oriented businesses, each with a leading position in sustainable niches, a strong cash flow profile, and actionable opportunities for both operational and strategic enhancement. Aurora Resurgence invests in debt and equity securities of middle-market companies and targets complex situations that are created by operational or financial challenges either within a company or a broader industry.

Ares Management is a global alternative asset manager and SEC-registered investment adviser with total committed capital under management of approximately $33 billion as of December 31, 2009. With complementary pools of capital in private equity, private debt and capital markets, Ares Management has the ability to invest across all levels of a company's capital structure from senior debt to common equity in a variety of industries in a growing number of international markets. The Ares Private Equity Group manages over $6 billion of committed capital and has a proven track record of partnering with high quality, middle-market companies and creating value with its flexible capital. The firm is headquartered in Los Angeles with approximately 250 employees and professionals located across the United States and Europe.

Contemplated Financing Transactions in Connection with this Offering

In connection with this offering, we may increase our existing term loan facility by $ million. We plan to use the proceeds from this offering together with to redeem the outstanding 7$^3/_4$% Senior Notes due 2012, which we refer to in this prospectus as our senior notes, issued by our direct wholly-owned subsidiaries, Douglas Dynamics, L.L.C. or Douglas LLC, and Douglas Finance Company or Douglas Finance, for a total of $ million, which amount includes accrued and unpaid interest and the associated redemption premium. Prior to the consummation of this offering, we also intend to amend our existing senior credit facilities to permit the redemption of our senior notes.

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Company Information

We are a holding corporation that was formed in connection with the acquisition of our business from AK Steel Corporation by affiliates of Aurora Capital Group in March 2004, which we refer to in this prospectus as the Acquisition. Douglas Holdings owns all of the issued and outstanding limited liability company interests of Douglas LLC, our operating company, together with its subsidiaries.

We maintain our principal executive offices at 7777 North 73rd Street, Milwaukee, Wisconsin 53223, and our telephone number is (414) 354-2310. We maintain a website at *www.   .com*. Information contained on our website is not a part of, and is not incorporated by reference into, this prospectus.

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The Offering

Issuer	Douglas Dynamics, Inc.
Common stock offered by us	shares
Common stock offered by the selling stockholders	shares
Over-allotment option	We and the selling stockholders have granted the underwriters a 30-day option to purchase up to additional shares of our common stock from us and an aggregate of additional outstanding shares of common stock from the selling stockholders at the initial public offering price less underwriting discounts and commissions. The option may be exercised only to cover any over-allotments.
Common stock outstanding after this offering	shares (or shares if the underwriters exercise their over-allotment option in full).
Use of proceeds	We intend to use the net proceeds from this offering together with to redeem our senior notes, including accrued and unpaid interest and the related redemption premium, for a total of $ million. We intend to use any net proceeds we receive from any shares sold by us pursuant to the underwriters' over-allotment option to . We will not receive any proceeds from the sale of shares by the selling stockholders. See "Use of Proceeds."
Dividend policy	Our Board of Directors will adopt a dividend policy, effective upon the consummation of this offering, that reflects an intention to distribute to our stockholders a regular quarterly cash dividend, commencing with the first full fiscal quarter following the consummation of this offering, at an initial quarterly rate of $ per share. The declaration and payment of these dividends will be at the discretion of our Board of Directors and will depend upon many factors, including our financial condition and earnings, legal requirements, taxes, the terms of our indebtedness and other factors our Board of Directors may deem to be relevant. See "Dividend Policy and Restrictions."
Risk factors	See "Risk Factors" beginning on page of this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Proposed NYSE symbol	

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Unless otherwise noted, all information in this prospectus assumes:

- no exercise of the underwriters' over-allotment option;
- the repurchase, after the consummation of this offering, of all of our senior notes, including accrued and unpaid interest through , 2010 (30 days following the consummation of this offering), the anticipated redemption date, and the associated redemption premium for a total of $ million;
- a -for-one stock split of our common stock that will occur prior to the consummation of this offering; and
- a public offering price of $ per share of our common stock, which is the mid-point of the range set forth on the front cover of this prospectus.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following summary consolidated financial information as of and for the years ended December 31, 2006, 2007 and 2008 are derived from our audited consolidated financial statements and for the nine months ended September 30, 2008 and 2009 from our unaudited condensed consolidated financial statements, in each case, which are included elsewhere in this prospectus. In the opinion of management, the unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of our operating results and financial position for those periods and as of such dates. The results for any interim period are not necessarily indicative of the results that may be expected for a full year.

The results indicated below and elsewhere in this prospectus are not necessarily indicative of our future performance. You should read this information together with "Selected Consolidated Financial Data," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes included elsewhere in this prospectus.

	For the year ended December 31,			For the nine months ended September 30	
	2006	2007	2008	2008	2009
			(in thousands)		
Consolidated Statement of Operations Data					
Equipment sales	$ 131,474	$ 122,091	$ 151,450	$ 113,882	$ 106,700
Parts and accessories sales	14,305	17,974	28,658	18,706	18,506
Net sales	145,779	140,065	180,108	132,588	125,206
Cost of sales	100,547	97,249	117,911	89,084	87,523
Gross profit	45,232	42,816	62,197	43,504	37,683
Selling, general and administrative expense	24,773	22,180	26,561	20,368	21,130
Income from operations	20,459	20,636	35,636	23,136	16,553
Interest expense, net	(20,095)	(19,622)	(17,299)	(12,765)	(11,756)
Loss on extinguishment of debt		(2,733)			
Other income (expense), net	276	(87)	(73)	(70)	(105)
Income (loss) before taxes	640	(1,806)	18,264		