NFI:TSX
INVESTOR PRESENTATION

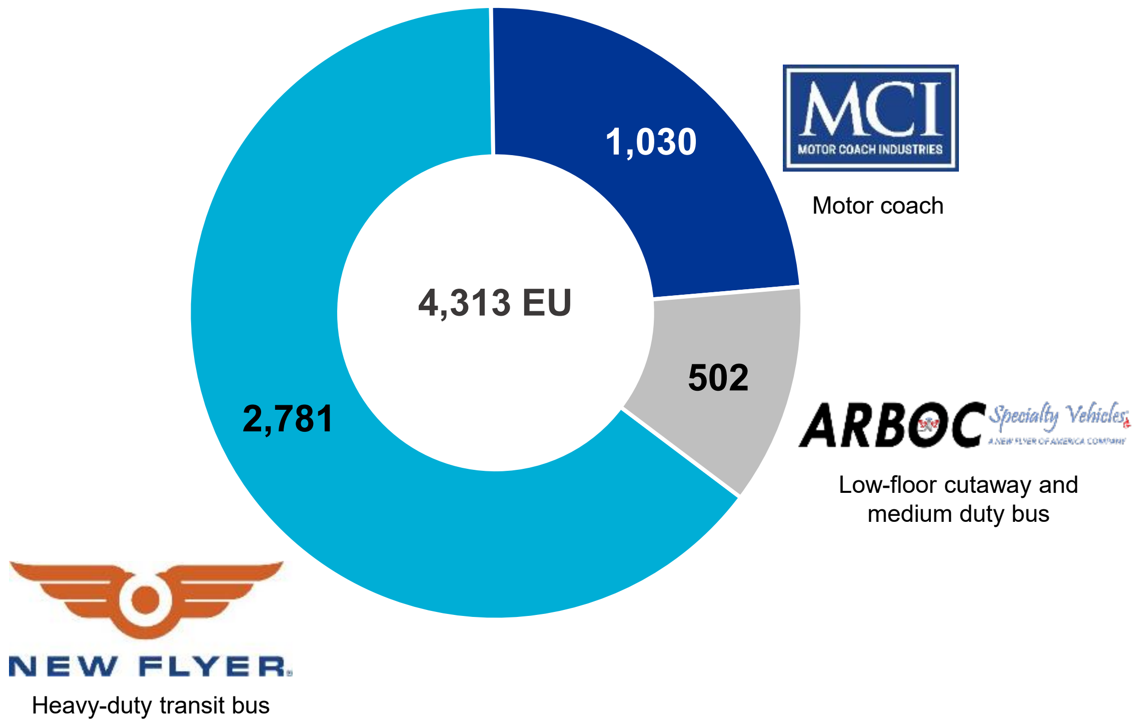
March 2019

New Flyer's Xcelsior H2
Fuel-Cell Electric Heavy-Duty bus

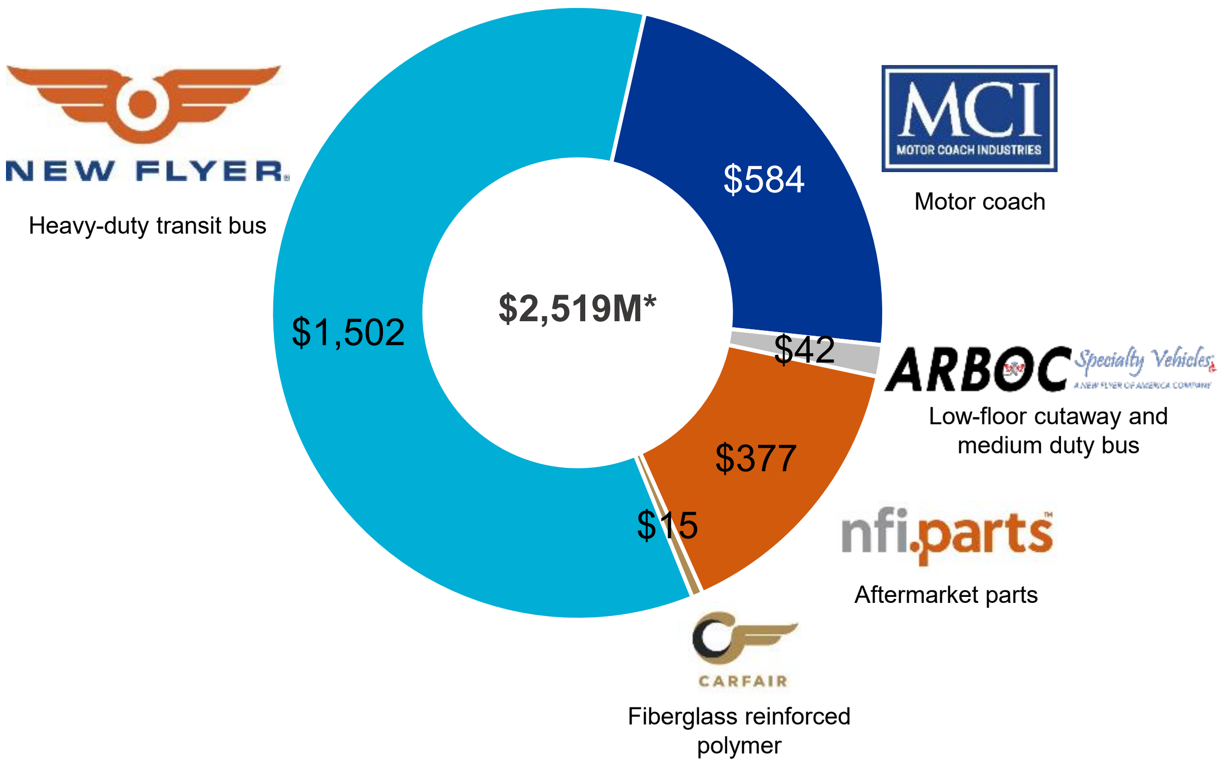
NFI Group

Leader in Transit Buses, Motor Coach & Aftermarket

FY2018 Equivalent Units (EUs) Deliveries



FY2018 Revenue by Product



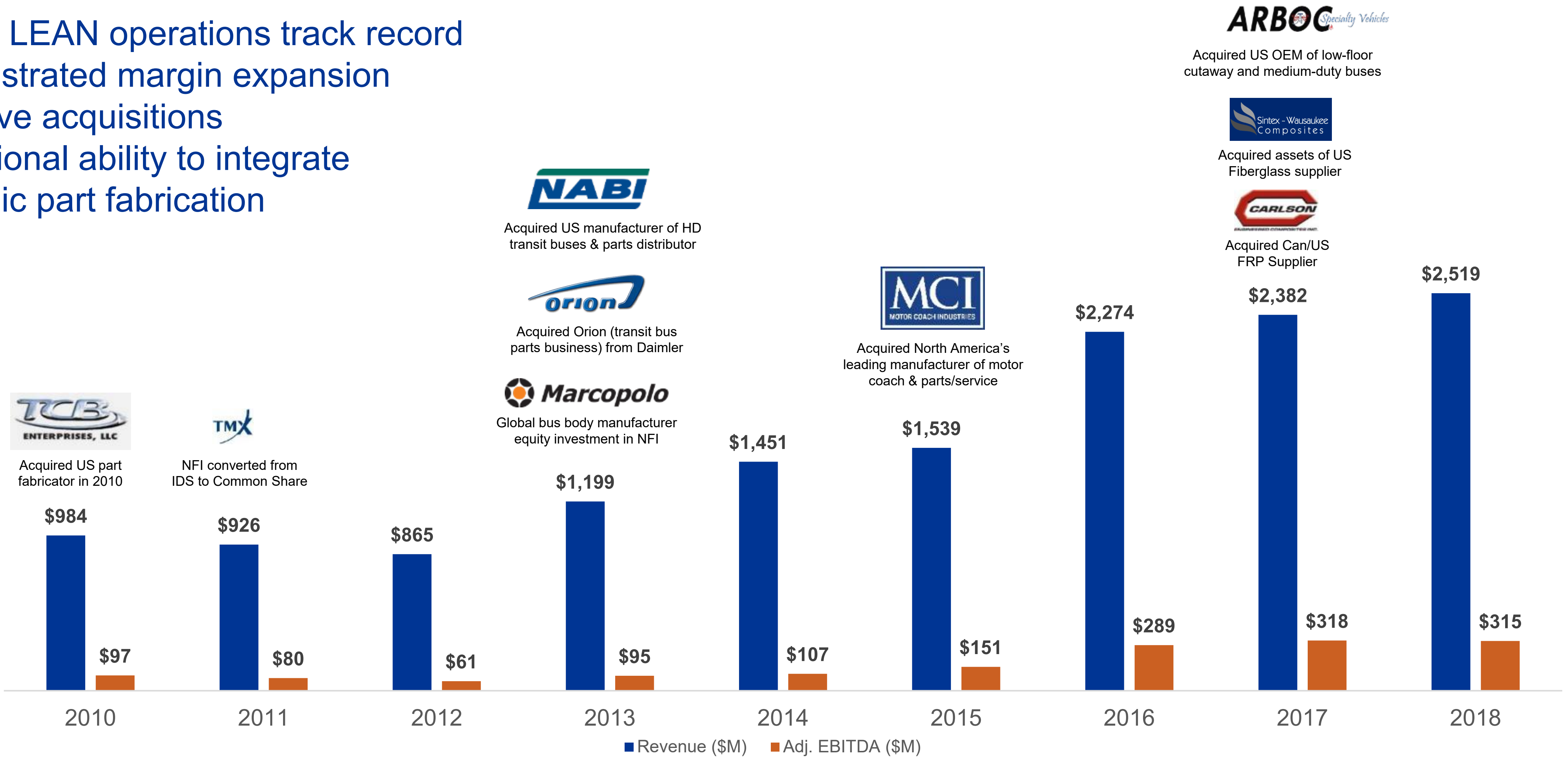
All figures are in U.S. dollars unless otherwise noted

See Appendix for Forward Looking Statements and Financial Terms, Definitions and Conditions

NFI Group

Strategically Built to RELY ON.®

- Proven LEAN operations track record
- Demonstrated margin expansion
- Accretive acquisitions
- Exceptional ability to integrate
- Strategic part fabrication



NFI Group

Why Invest In NFI?

- North American leader in heavy-duty transit, motor coach, low-floor cutaway and aftermarket parts
- Trusted business partner for over 87 years delivering and standing behind reliable products. Focused on total cost of ownership
- Five year revenue compound annual growth rate of 16.0% driven by accretive acquisitions, organic growth and vertical integration
- Leading Adjusted EBITDA margin within its public company peer group(1)
- Peer leading dividend yield with history of growing dividends
- Vertically integrated fabrication processes (where NFI owns the drawings) to control Cost-Time-Quality
- Propulsion agnostic on proven common platforms: clean diesel, natural gas, hybrid and zero-emission (trolley, battery and fuel-cell)
- Solid backlog with multi-year visibility
- Track record of innovation – electric trolleys, low-floor transit buses, CNG propulsion, battery-electric, low-entry motor coach, Vehicle Innovation Center, Infrastructure Solutions

Providing leading solutions to move groups of people safely, efficiently, responsibly, and in style

(1) Public company peer group includes: REV Group Inc., Spartan Motors Inc., Blue Bird Corporation, Grande West Transportation Group Inc., Oshkosh Corporation, Thor Industries Inc., Winnebago Industries Inc.

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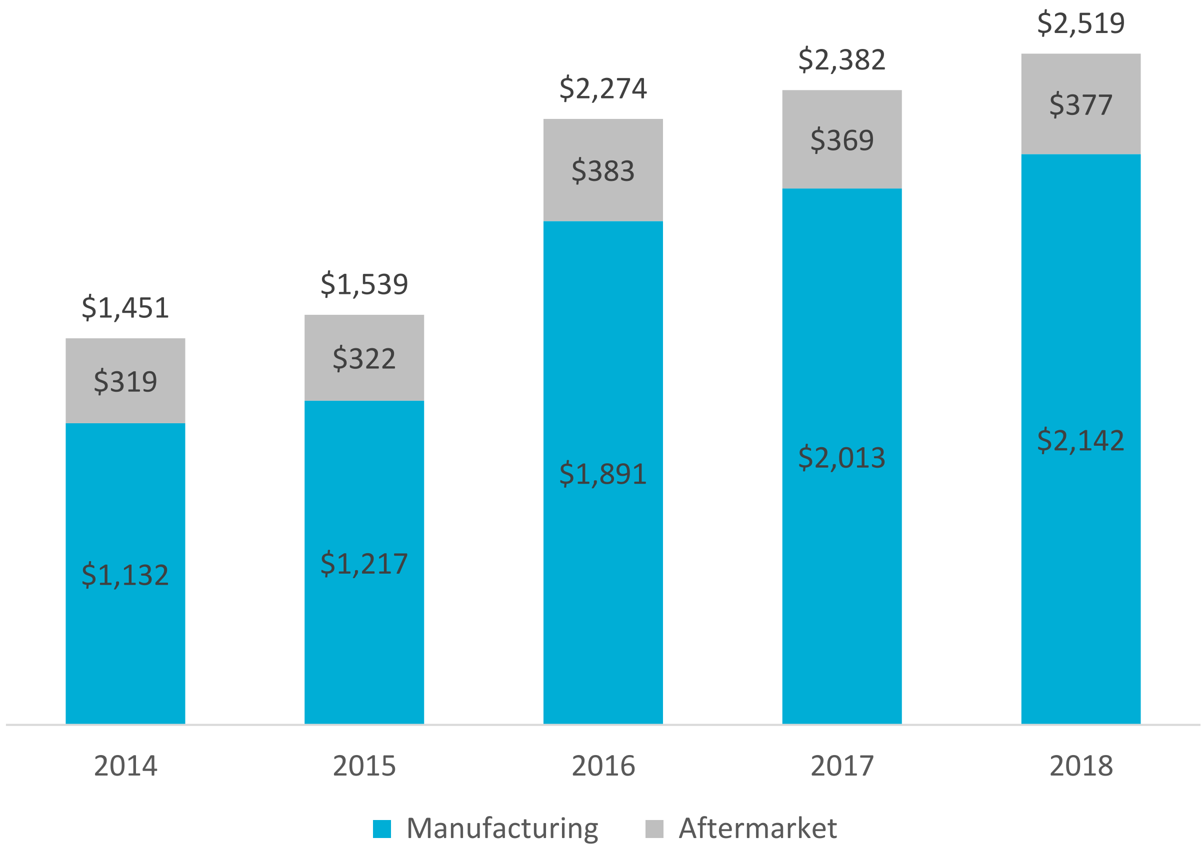
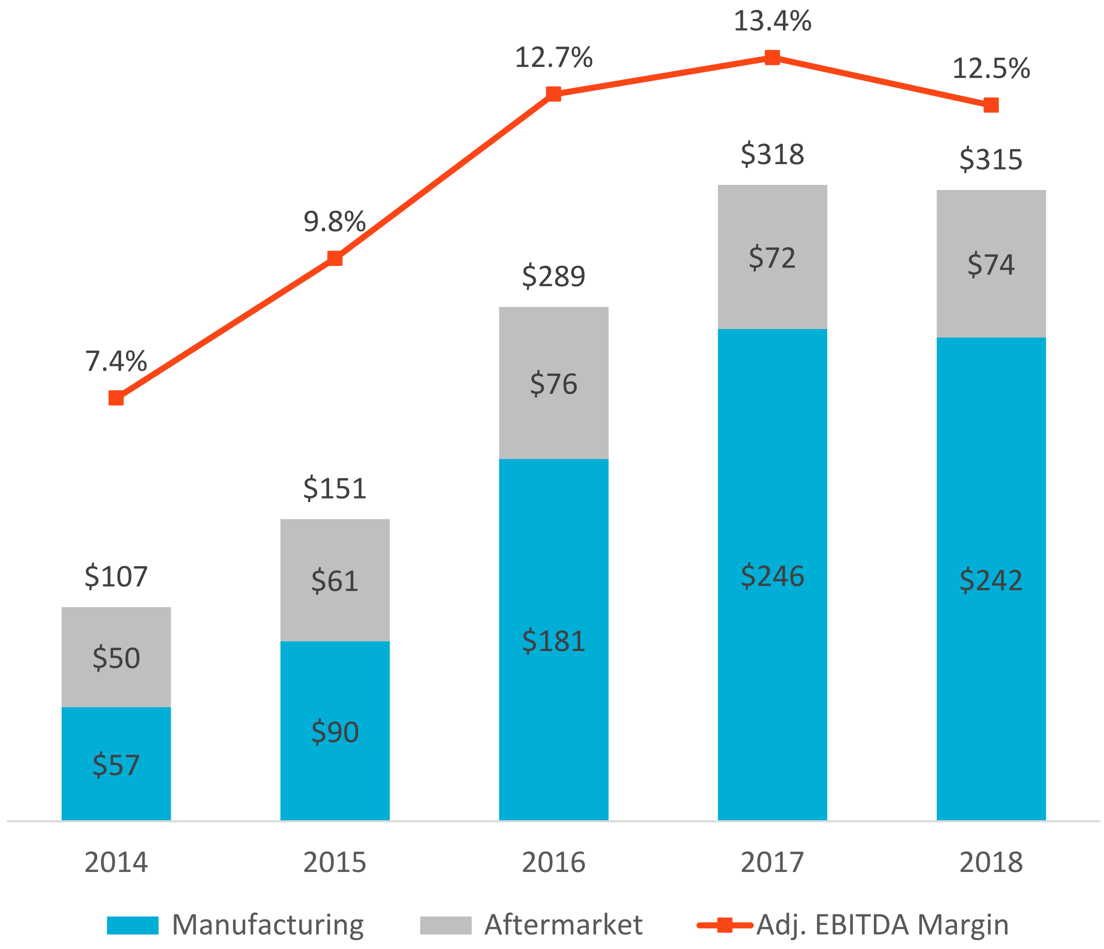
Financial Performance

Revenue by Segment 2014 - 2018



Adjusted EBITDA and Adjusted EBITDA Margin by Segment 2014 - 2018



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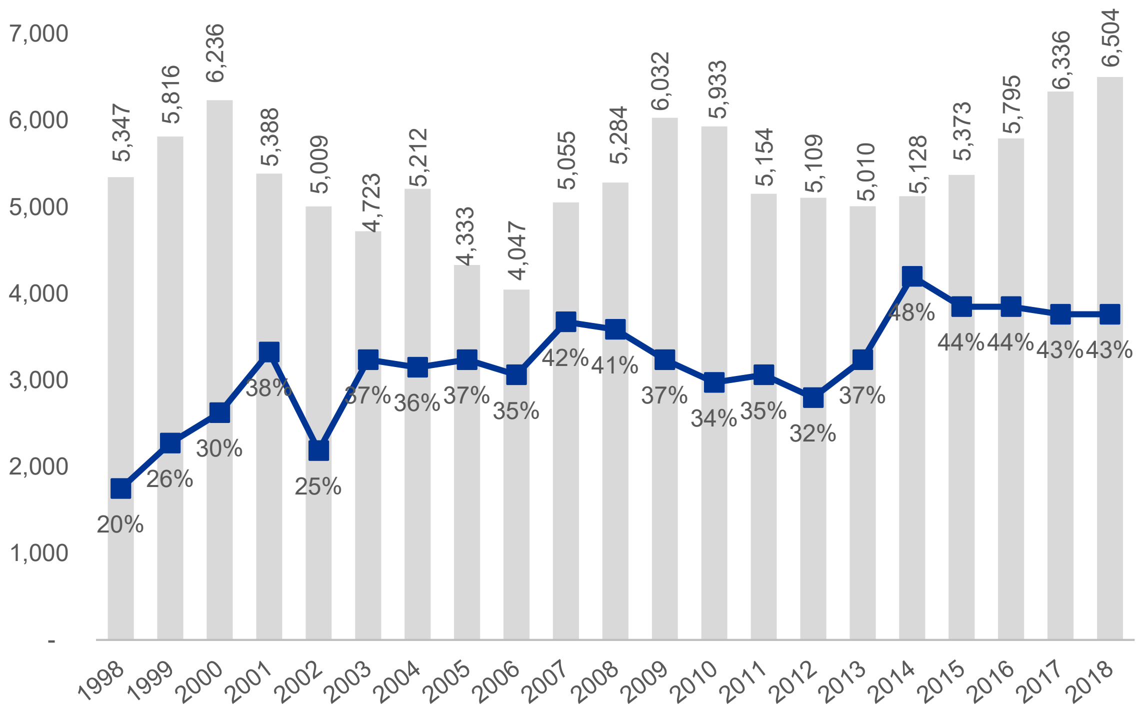
Heavy Duty Transit and Motor Coach Markets

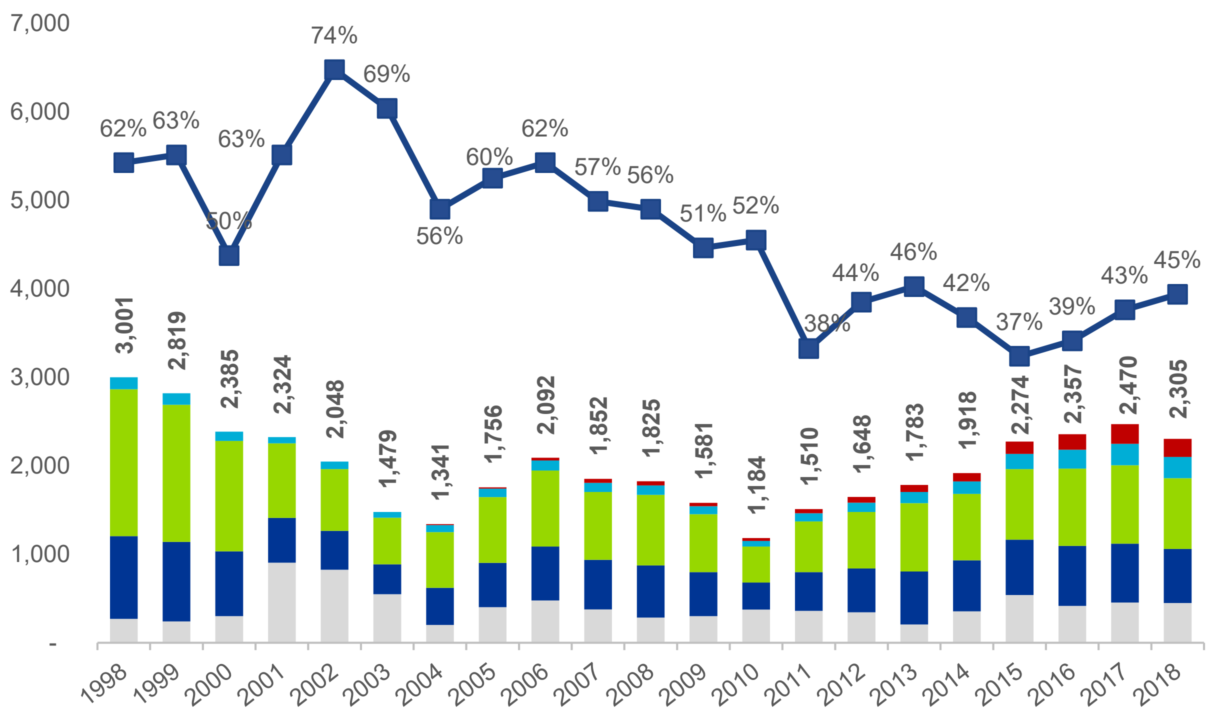
HD Transit Bus Market – EUs delivered and New Flyer Market Share*



Metropolitan 20 operators 39%	Urban 200 operators 33%	Municipal 900+operators 28%

← *New Flyer's Core Markets* →

Motor Coach Market – Units Delivered in Can/US and MCI Share*



Public Transit 19%	Line Haul/Fixed Route 27%	Tour & Charter 41%	Limo 6%	Employee Shuttle 3%

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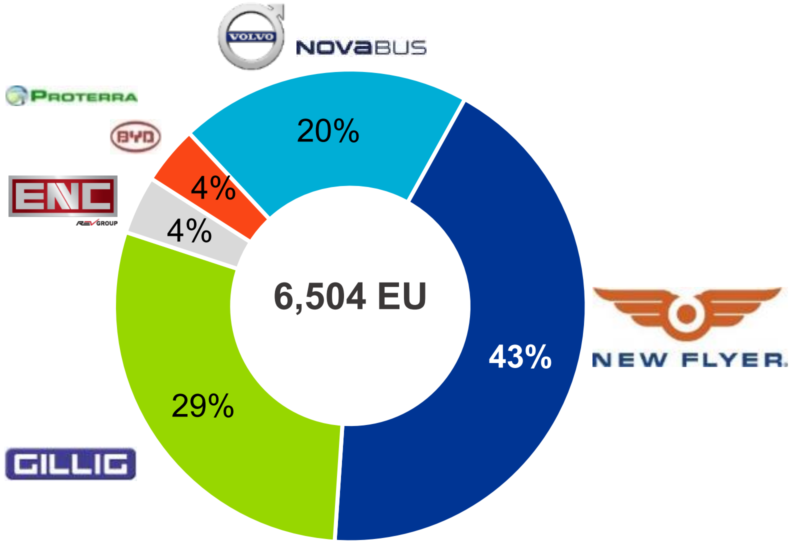
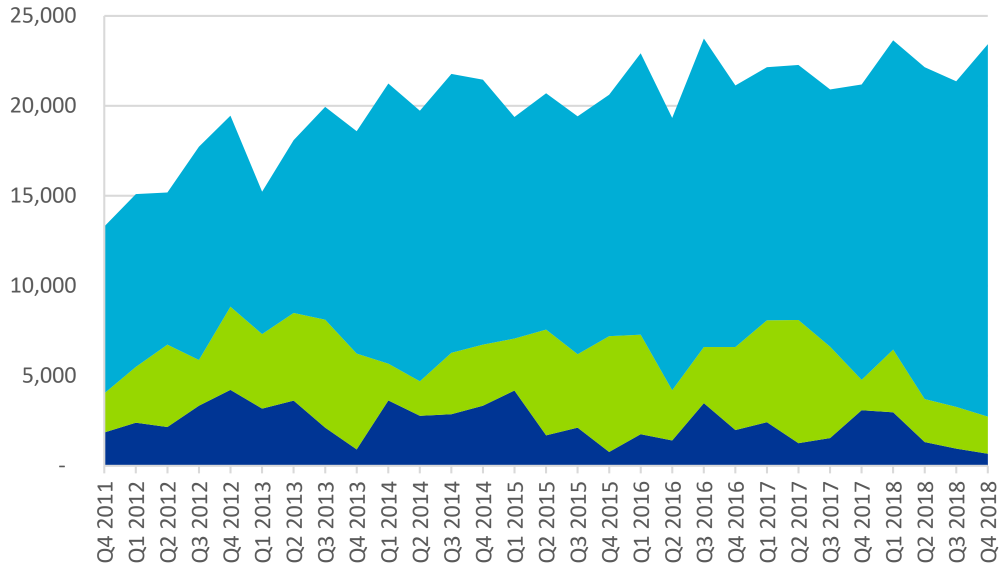
* Sourced from New Flyer databases and Management estimates
** Sourced from MCI database and Management estimates

North American Transit Leader

HD Transit Bus Market Share – 2018 Deliveries

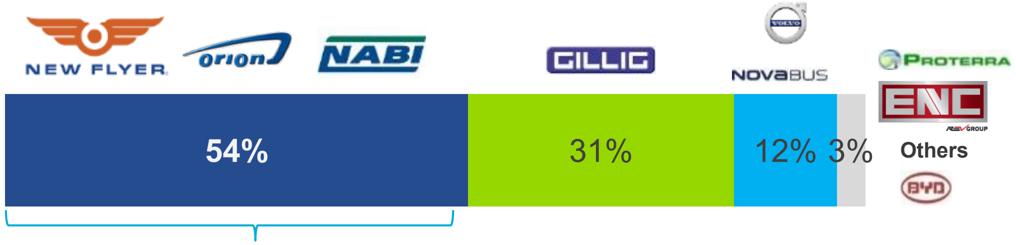


Public Bid Universe & Active Opportunities (EUs)*



	Bids in Process	Bids Submitted	Operator Forecasted 5 year buy**
EUs	670	2,061	20,694

Estimated active North America Transit Bus Fleet*



Orion Parts and NABI acquired by NFI in 2013

80,000 BUSES IN SERVICE

* Bid universe is primarily applicable to New Flyer, but MCI also sells to public transit agencies that would be included in totals above
** Management estimate of future expected industry procurement in the next five years based on discussions directly with individual U.S. and Canadian transit authorities
^ Sourced from APTA Public Transportation Factbook 2016

* Sourced from New Flyer database and Management estimates

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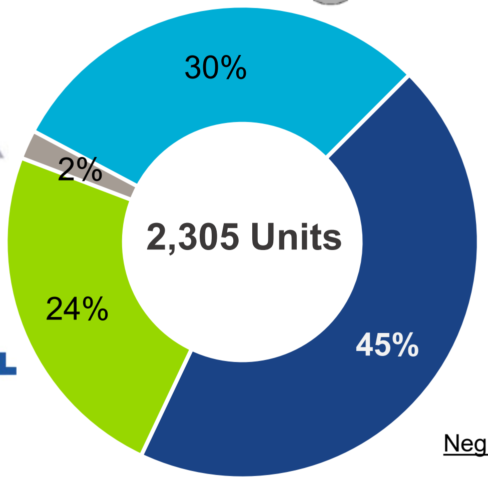
The Motor Coach Leader

Motor Coach Market Share – 2018 Deliveries



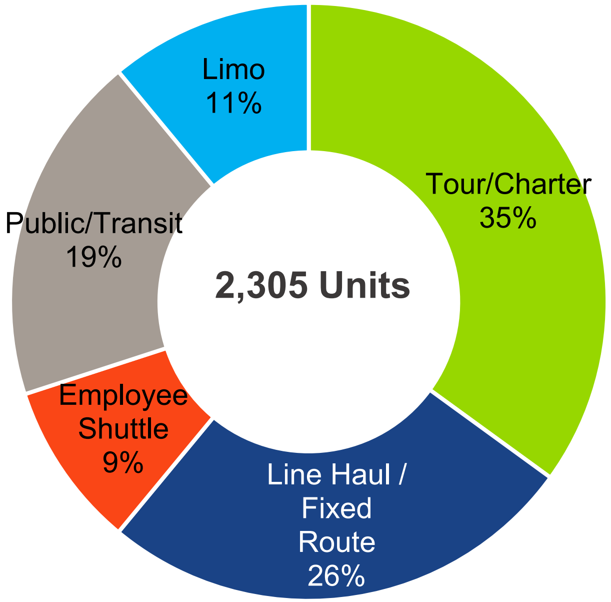
MCI Share increased by 2% in 2018

Negligible Deliveries to date

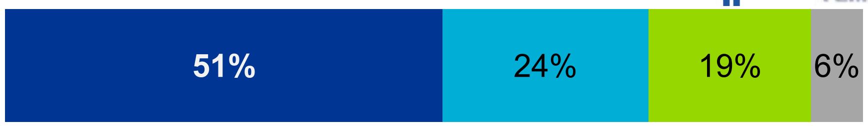
Spain

US

Motor Coach 2018 Market Deliveries By Segment



Active North American Motor Coach Fleet



55,000 UNITS

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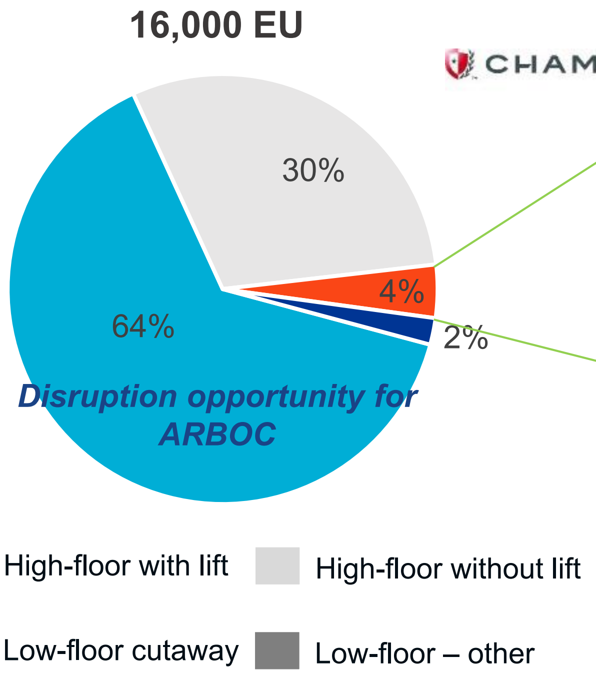
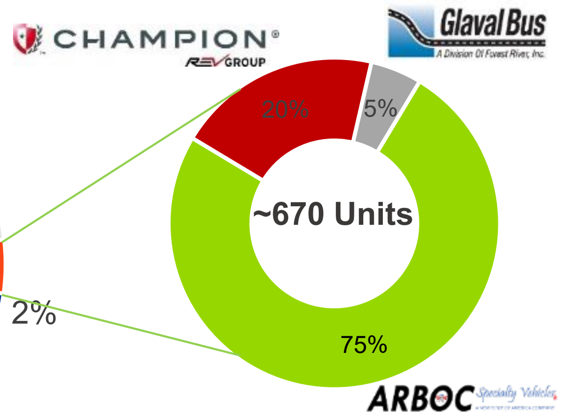
* Source: MCI Database and Management estimates

Innovator in Low-Floor Cutaway & Medium-Duty Buses

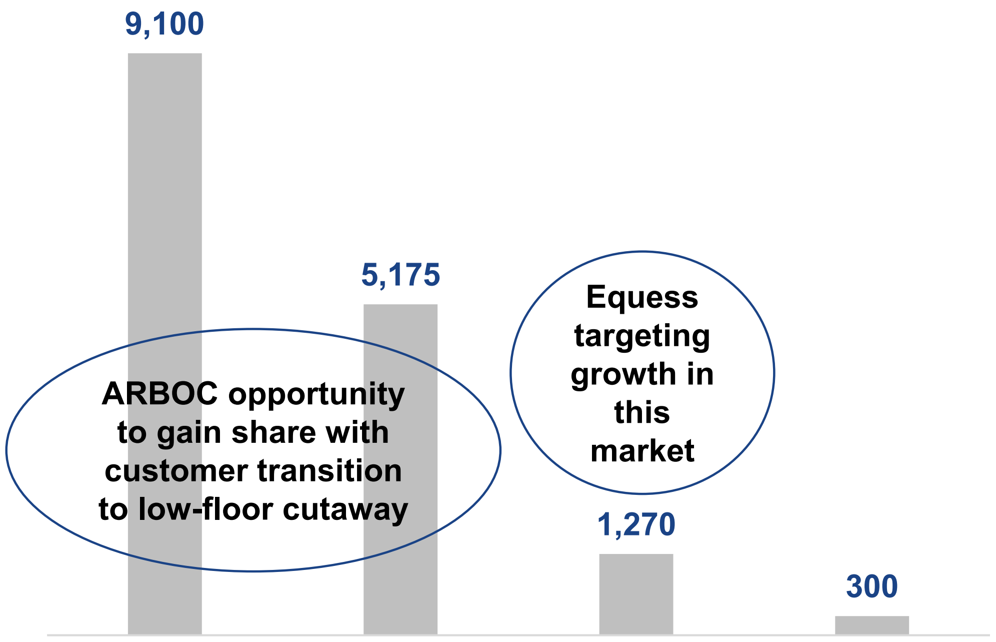
North American Cutaway Market (2018 ~16,000 units)*

Overall Cutaway Market | **Low-Floor Cutaway Market**





North American Cutaway, Medium-Duty and Trolley Annual Demand ~16,000 Units*



Vehicle Type	Small Cutaway	Medium Cutaway	Medium Duty Transit	Trolley
Bus Life	4 year	5 to 7 year	7 to 10 year	7 years
ARBOC Models	Spirit of Independence	Spirt of Freedom and Mobility	Spirt of Liberty and Equess	Spirit of America
Competition	Champion, StarCraft, Goshen, Ekhart Coach, Glaval		Vicinity, ADL, El Dorado	Hometown Trolley

* Source: ARBOC Management estimates

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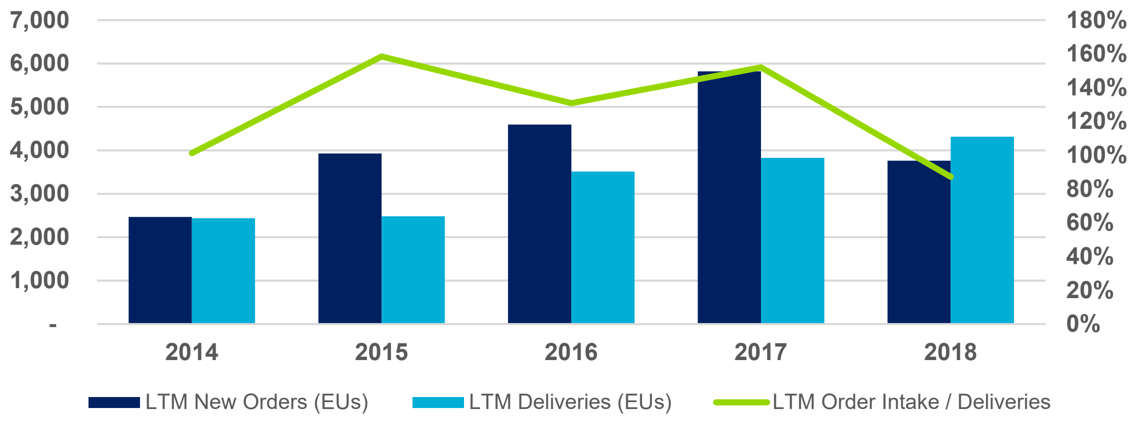
nfi.parts Industry’s Most Comprehensive Parts Offering

NEW FLYER   orion   NABI   MCI MOTOR COACH INDUSTRIES

- Largest parts and service provider in the industry, providing nearly $400 million in parts annually to major U.S. transit agencies
- Added value through unique offerings (Kits, Mid-life upgrade programs, Vendor Managed Inventory (VMI), KanBan, etc.)
- Secured six vendor managed inventory programs during 2018. Expected to provide positive benefit to NFI Parts business in 2019 and beyond. Continuing to pursue other opportunities across North America
- Expertise and direct access to over 250 bus and coach engineers, which is critical to cost-effective and timely parts procurement, quality and availability
- Website offering state of the art on-line sales and distribution features
- Best-in-class training and publications – MCI Academy accredited by the Automotive Service Excellence (ASE) & recipient of Grand National Excellence in Training Award from ASE Training Managers Council (ATMC)

Significant Backlog – Solid Foundation, Position of Strength

Book-to-Bill (new firm plus option orders divided by deliveries

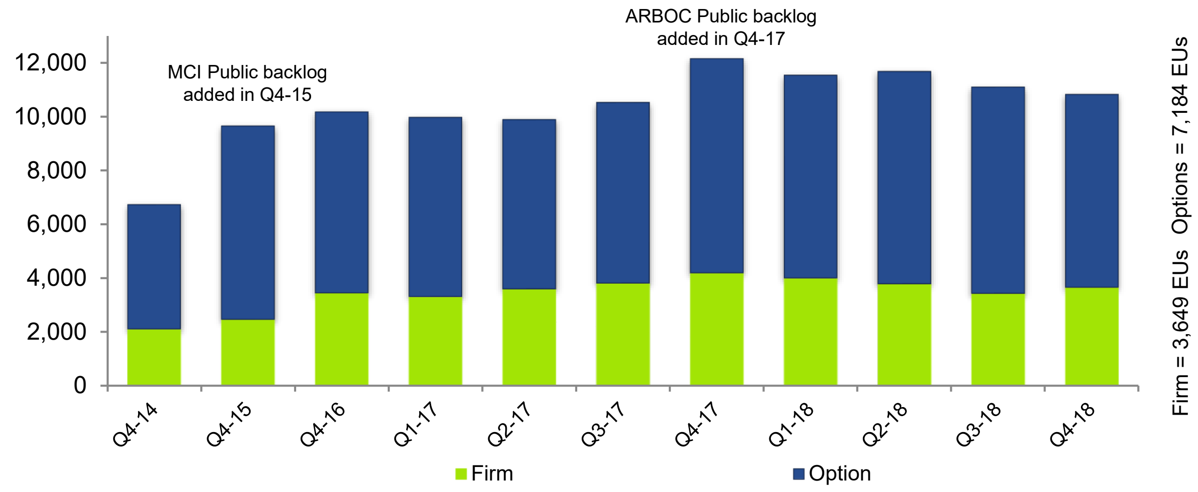


10,833 EU
Total Backlog at Dec. 31, 2018 (Firm Orders and Options)

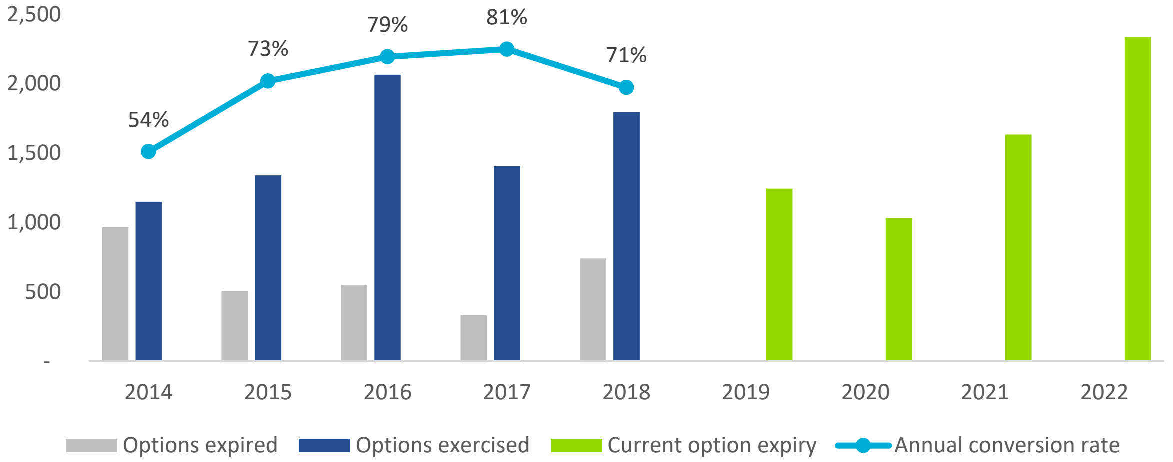
87%
Q4-18 LTM Book to Bill ratio

~2.4x
Total Backlog EUs to Annual Production

Total Backlog Firm and Option EUs



Option History, Conversion and Current Status (EUs)



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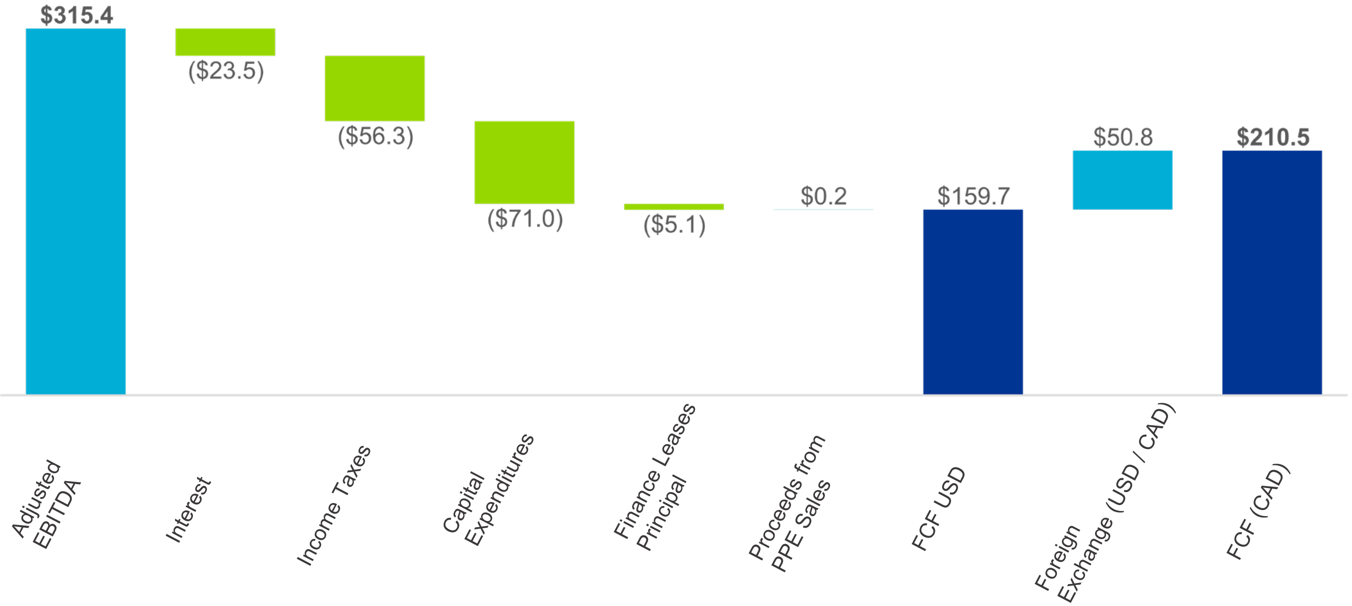
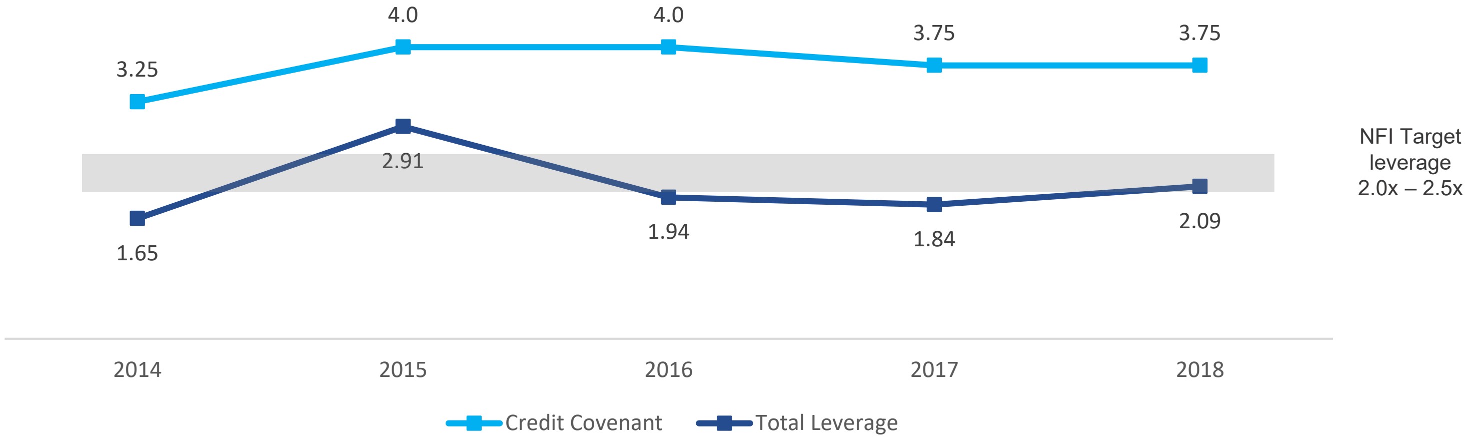
Strong Balance Sheet and Cash Flow Generation

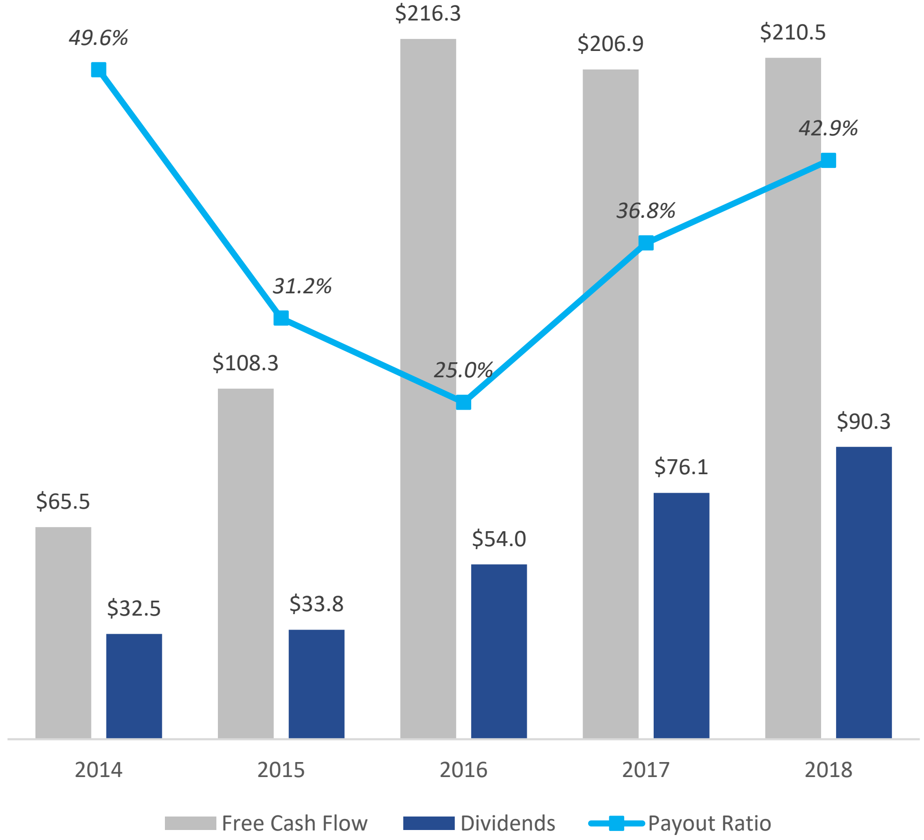
FY2018 Adjusted EBITDA to Free Cash Flow Reconciliation ($M)



Total Leverage Ratio^ vs Credit Covenant



Free Cash Flow and Dividends (C$M)



^Under NFI Senior Credit Agreement, Total Leverage Ratio did not include Convertible Debentures as debt.

NFI Group

Capital Allocation: 2012 to 2018

Invest in current business and growth

Capital Expenditures $245 USD

Maintenance capital, facility upgrades, LEAN implementation, IT harmonization, insourcing and parts fabrication

Acquistions $676 USD

Return capital to Shareholders

Dividends C$418

Dividends increased by 39.5% in May 2017, by 15.4% in May 2018 and 13.3% in March 2019. Now $1.70/share paid quarterly.

NCIB C$89

NCIB launched in June 2018 and amended in January 2019 allowing for repurchase of up to 5,549,465 NFI shares. 2,153,275 shares purchased in Fiscal 2018.

Leader in Zero Emission Buses

Battery-Electric
Fuel Cell Electric
Trolley Electric
Electric Coach (testing)

- Common Xcelsior Platform available in 35-foot, 40-foot and 60-foot lengths
- Industry leading range capability of 100kWh to 818kWh of electricity
- Range of up to 260 miles (418 km)
- Completed FTA Altoona test program

VIC | VEHICLE INNOVATION CENTER

NEW FLYER®

INFRASTRUCTURE SOLUTIONS™

- Support mobility projects from start to finish,
- Focus on energy management optimization,
- Provide infrastructure planning and development
- Provide cohesive transition of bus fleets to zero-emission electric technology

NFI Group

Investing for Growth and Margin Improvement

New Products

New MCI D Models

60’ fuel cell and battery electric

Spirit of Equess

Technology

ORACLE

TEAMCENTER

VIC | VEHICLE INNOVATION CENTER

nfi.parts webstore

NEW FLYER

NEW FLYER CONNECT

CONNECT 360

Optimize Defend Diversify Grow

Part Fabrication

KMG Fabrication (Shepherdsville)

Winnipeg / Anniston Expansion

CARFAIR

Proud of our History, Excited About our Future

1. Execute on 2019 Annual Operating Plan focusing on customer satisfaction, market share & EBITDA performance
2. Invest in IT Harmonization (Oracle) at MCI
3. Continue investing in MCI recovery, new models and common line (D and J coach) production
4. Assist ARBOC with sourcing, fabrication, optimization and growth. Assess electrification
5. Complete commissioning of KMG part fabrication facility (Shepherdsville, KY)
6. Drive electrification and autonomous agenda for Bus and Coach
7. Continue facility rationalization.
    - Anniston expansion allows for insourcing and welding move from leased building
    - Announced TCB closure in Q1-19 (Elkhart, IN) to combine with Shepherdsville, KY
8. Generate strong free cash flow and return cash to shareholders through dividends and NCIB
9. Continue investigating further M&A to diversify and grow

Appendix

Forward Looking Statements

FORWARD LOOKING STATEMENTS

- Certain statements in this presentation are “forward looking statements”, which reflect the expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. The words “believes”, “anticipates”, “plans”, “expects”, “intends”, “projects”, “forecasts”, “estimates” and similar expressions are intended to identify forward looking statements. These forward-looking statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of the Financial Statements and associated Management’s Discussion and Analysis dated March 13, 2019. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not or the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Such differences may be caused by factors which include, but are not limited to, availability of funding to the Company's customers to purchase transit buses and coaches and to exercise options and to purchase parts or services at current levels or at all, aggressive competition and reduced pricing in the industry, material losses and costs may be incurred as a result of product warranty issues and product liability claims, changes in Canadian or United States tax legislation, the absence of fixed term customer contracts and the suspension or the termination of contracts by customers for convenience, the current U.S. federal "Buy-America" legislation may change and/or become more onerous, inability to achieve U.S. Disadvantaged Business Enterprise Program requirements, local content bidding preferences and requirements under Canadian content policies may change and/or become more onerous, trade policies in the United States and Canada (including USMCA, tariffs, duties, surtaxes and the Canadian federal Duties Relief Program) may undergo significant change, potentially in a manner materially adverse to the Company, production delays may result in liquidated damages under the Company's contracts with its customers, inability of the Company to execute its planned production targets as required for current business and operational needs, currency fluctuations could adversely affect the Company's financial results or competitive position in the industry, the Company may not be able to maintain performance bonds or letters of credit required by its existing contracts or obtain performance bonds and letters of credit required for new contracts, third party debt service obligations may have important consequences to the Company, the covenants contained in the Company’s senior credit facility could impact the ability of the Company to fund dividends and take certain other actions, interest rates could change substantially and materially impact the Company's profitability, the dependence on limited or unique sources of supply, the timely supply of materials from suppliers, the possibility of fluctuations in the market prices of the pension plan investments and discount rates used in the actuarial calculations will impact pension expense and funding requirements, the Company's profitability and performance can be adversely affected by increases in raw material and component costs, the availability of labor could have an impact on production levels, new products must be tested and proven in operating conditions and there may be limited demand for such new products from customers, the Company may have difficulty selling pre-owned coaches and realizing expected resale values, inability of the Company to successfully execute strategic plans and maintain profitability, development of competitive products or technologies, catastrophic events may lead to production curtailments or shutdowns, dependence on management information systems and risks related to cyber security, dependence on a limited number of key executives who may not be able to be adequately replaced if they leave the Company, employee related disruptions as a result of an inability to successfully renegotiate collective bargaining agreements when they expire, risks related to acquisitions and other strategic relationships with third parties, inability to successfully integrate acquired businesses and assets into the Company’s existing business and to generate accretive effects to income and cash flow as a result of integrating these acquired businesses and assets. NFI cautions that this list of factors is not exhaustive. These factors and other risks and uncertainties are discussed in NFI’s press releases and materials filed with the Canadian securities regulatory authorities which are available on SEDAR at www.sedar.com.
- Although the forward-looking statements contained in this presentation are based upon what management believes to be reasonable assumptions, investors cannot be assured that actual results will be consistent with these forward-looking statements, and the differences may be material. These forward-looking statements are made as of March 13, 2019 and NFI assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws.

FINANCIAL TERMS, DEFINITIONS AND CONDITIONS

- References to “Adjusted EBITDA” are to earnings before interest, income taxes, depreciation and amortization after adjusting for the effects of certain non-recurring and/or non-operations related items that do not reflect the current ongoing cash operations of the Company including: gains or losses on disposal of property, plant and equipment, unrealized foreign exchange losses or gains on non-current monetary items, fair value adjustment for total return swap, non-recurring transitional costs or recoveries relating to business acquisitions, equity settled stock-based compensation, gain on bargain purchase of subsidiary company, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, past service costs, costs associated with assessing strategic and corporate initiatives and proportion of the total return swap realized. “Free Cash Flow” means net cash generated by operating activities adjusted for changes in non-cash working capital items, interest paid, interest expense, income taxes paid, current income tax expense, effect of foreign currency rate on cash, defined benefit funding, non-recurring transitional costs relating to business acquisitions, past service costs, costs associated with assessing strategic and corporate initiatives, defined benefit expense, cash capital expenditures, proportion of the total return swap realized, proceeds on disposition of property, plant and equipment, gain received on total return swap settlement, fair value adjustment to acquired subsidiary company's inventory and deferred revenue and principal payments on capital leases. References to "ROIC" are to net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment and income taxes at the expected effective tax rate) divided by average invested capital for the last twelve month period (calculated as to shareholders’ equity plus long-term debt, obligations under finance leases, other long-term liabilities, convertible debentures and derivative financial instrument liabilities less cash). References to "Adjusted Net Earnings" are to net earnings after adjusting for the after tax effects of certain non-recurring and/or non-operational related items that do not reflect the current ongoing cash operations of the Company including: gains or losses on disposal of property, plant and equipment, unrealized foreign exchange losses or gains on non-current monetary items, fair value adjustment for total return swap, non-recurring transitional costs or recoveries relating to business acquisitions, equity settled stock-based compensation, gain on bargain purchase of subsidiary company, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, past service costs, costs associated with assessing strategic and corporate initiatives and proportion of the total return swap realized. References to "Adjusted Earnings per Share" are to Adjusted Net Earnings divided by the average number of Shares outstanding.
- Management believes Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings and Adjusted Earnings per Share are useful measures in evaluating the performance of the Company. However, Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings and Adjusted Earnings per Share are not recognized earnings measures under IFRS and do not have standardized meanings prescribed by IFRS. Readers of this presentation are cautioned that ROIC, Adjusted Net Earnings and Adjusted EBITDA should not be construed as an alternative to net earnings or loss or cash flows from operating activities determined in accordance with IFRS as an indicator of NFI’s performance, and Free Cash Flow should not be construed as an alternative to cash flows from operating, investing and financing activities determined in accordance with IFRS as a measure of liquidity and cash flows. Reconciliations of net earnings and cash flows to Adjusted EBITDA, Free Cash Flow to cash flows from operations and net earnings to Adjusted Net Earnings are provided in the MD&A
- NFI's method of calculating Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings and Adjusted Earnings per Share may differ materially from the methods used by other issuers and, accordingly, may not be comparable to similarly titled measures used by other issuers. Dividends paid from Free Cash Flow are not assured, and the actual amount of dividends received by holders of Shares will depend on, among other things, the Company's financial performance, debt covenants and obligations, working capital requirements and future capital requirements, all of which are susceptible to a number of risks, as described in NFI’s public filings available on SEDAR at www.sedar.com.

- All figures are in U.S. dollars unless otherwise noted.

NFI Group

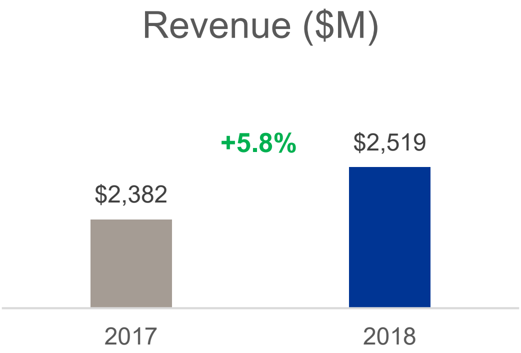
NFI's 2018 Q4 and Fiscal 2018 Results

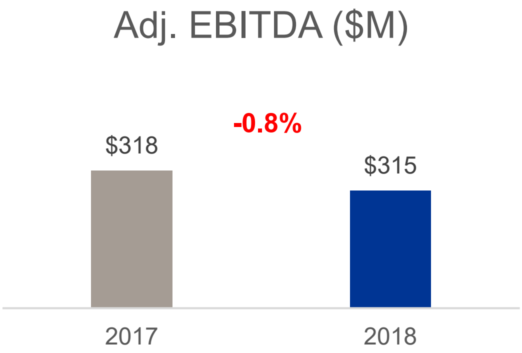
Quarterly Analysis:

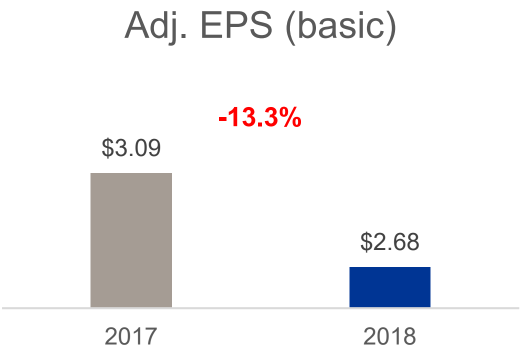
- Revenue up $7.4M or 1.1% with growth in manufacturing from higher average transit bus selling price, offset by lower transit and coach volumes and lower aftermarket volumes
- Adjusted EBITDA down $10.6M, or 11.7%, improved transit margins were offset by lower volumes, pricing pressure on new and pre-owned coach and startup losses incurred for Shepherdsville parts facility, also impacting EBITDA was the termination of the Setra Distribution Rights Agreement
- Net earnings decreased by $33.3M, or 43.8% primarily from higher income tax expense, interest and depreciation. Tax variance impacted by U.S. tax reform in December 2017 which resulted in a $9 million income tax recovery in Q4 2017
- Adjusted Earnings per Share down by $0.59 primarily from items impacting Net earnings
- Total backlog down 1,324 EUs driven by slower bid activity in the second half of 2018

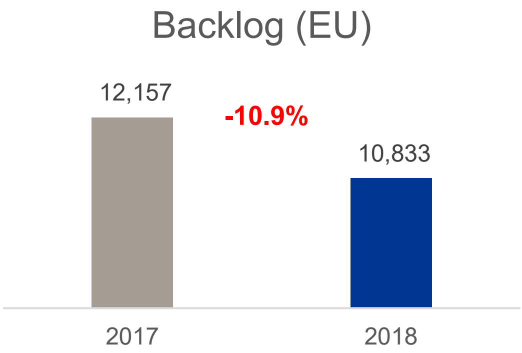
Fiscal 2018:

- Revenue up $129.7M or 5.8%
- Adjusted EBITDA down $2.6M or 0.8%
- Adjusted EPS down $0.16 or 13.3%



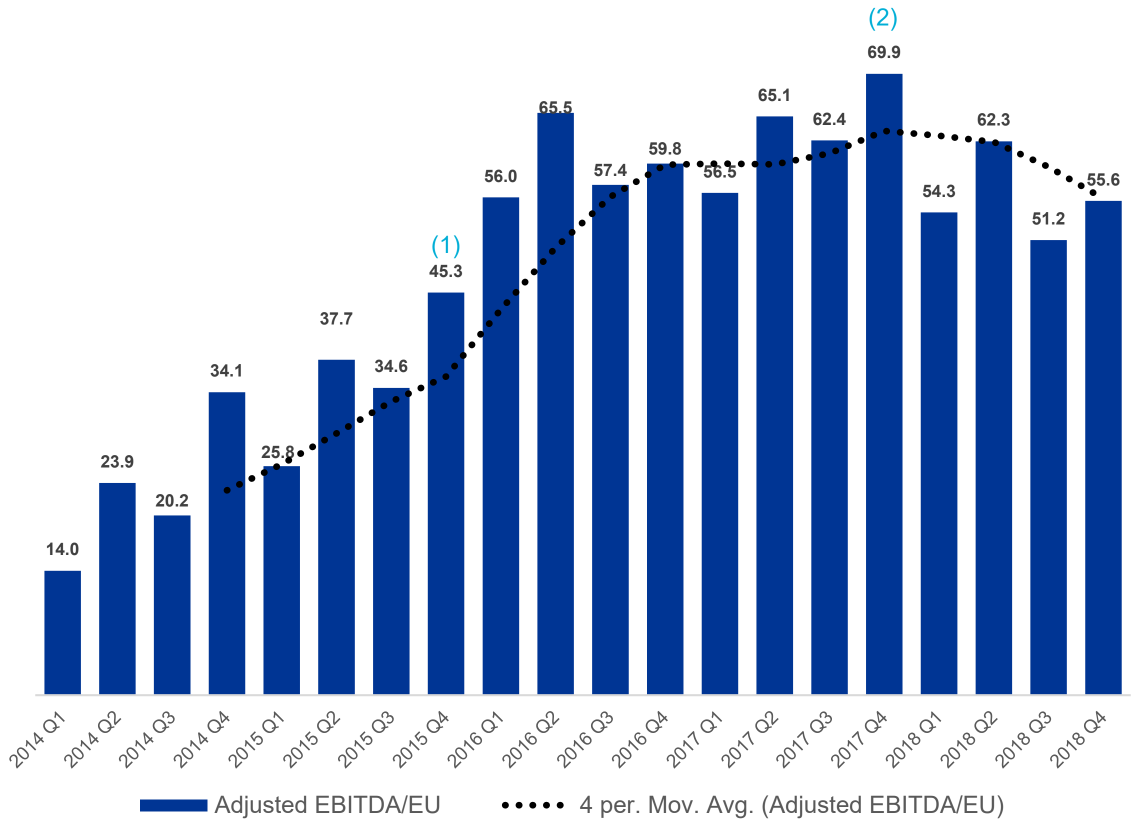




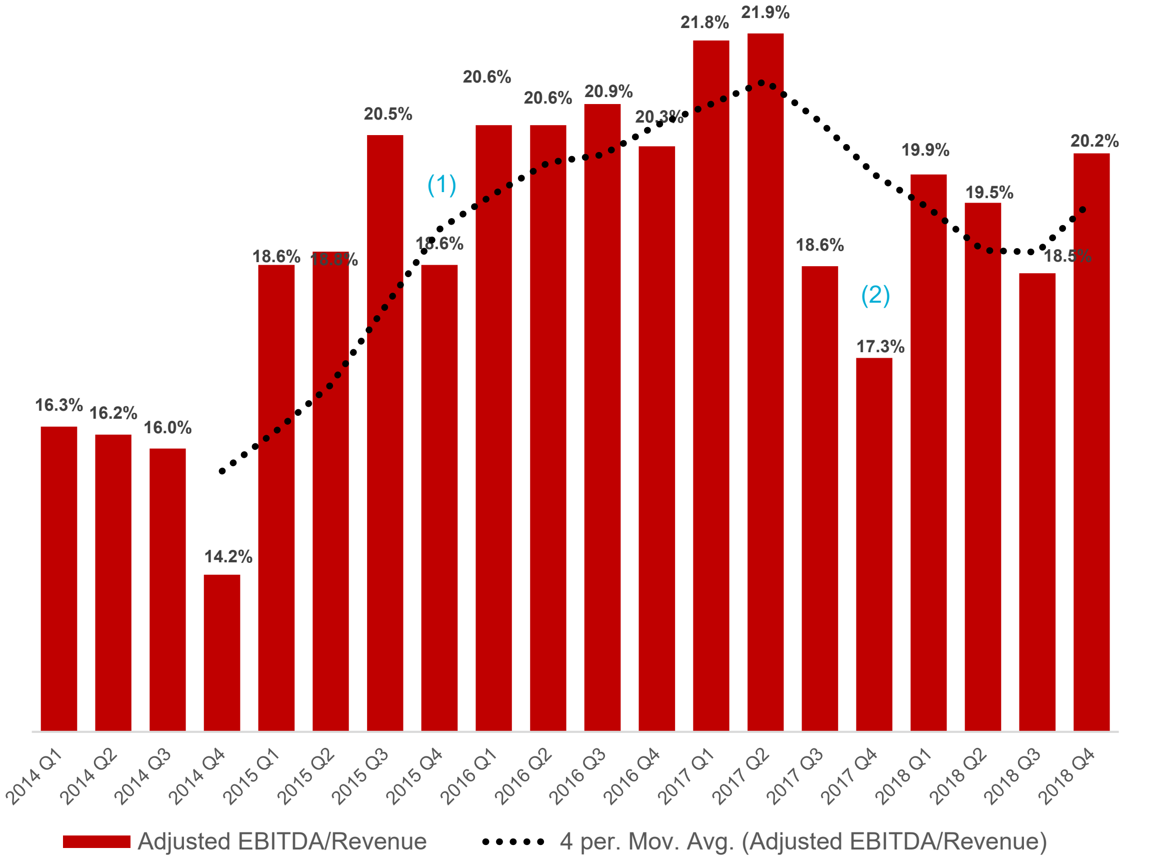


Operating Performance Metrics

Adjusted EBITDA per new EU delivered ($000 US)



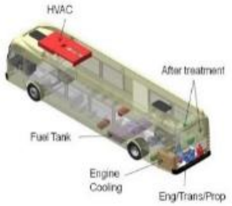
Aftermarket EBITDA Margin %

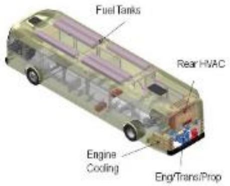


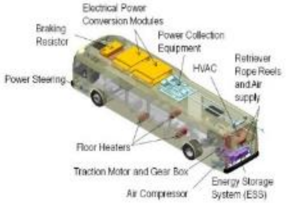
(1) MCI acquired in December 2015
(2) ARBOC acquired in December 2017

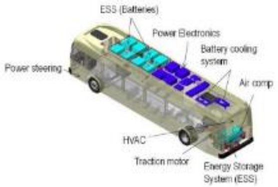
NFI Group

Environmental Leadership with Propulsion Options









		Clean Diesel	Natural Gas	Electric Trolley	Hybrid Electric	Battery Electric/ Fuel Cell
NEW FLYER	Xcelsior 35', 40', 60'	✓	✓	✓	✓	✓
MCI MOTOR COACH INDUSTRIES	D Model 40', 45'	✓	✓		✓	
	J Model 45' with 35' launching Q1 2019	✓				NEW MCI eCoach Currently Testing
ARBOC	Low- Floor Cutaway	✓	✓			
	Medium Duty Transit/Shuttle	NEW ✓				

New Flyer Leadership in Zero Emissions Buses (ZEB)

- NF has delivered >6,900 transit buses powered by electric motors (including hybrids, trolleys, battery-electric and fuel cell-electric)
- Battery-electric J Model motor coach currently undergoing testing in U.S. markets

NFI Group

Group Leadership

Paul Soubry
President and CEO
Joined in 2009

Janice Harper
Executive Vice President Human Resources
Joined in 1998

Glenn Asham
Executive Vice President and
Chief Financial Officer
Joined in 1992

David White
Executive Vice President Supply Management
Joined in 1996

CARFAIR

Colin Pewarchuk
Executive Vice President General Counsel
Joined in 2006

Chris Stoddart
President
Transit Bus
Joined in 2008

NEW FLYER

ARBOC Specialty Vehicles

Ian Smart
President
Motor Coach
Joined in 2011

MCI MOTOR COACH INDUSTRIES

Brian Dewsnup
President
NFI Parts
Joined in 2006

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