

The image features a background of a modern cityscape at night, with illuminated skyscrapers and light trails from traffic. A large, dark blue diagonal shape covers the bottom right portion of the image, serving as a backdrop for the event details.

**NFI** GROUP

NOVEMBER 15, 2019  
TORONTO, ONTARIO

# Investor Day 2019

# AGENDA

Toronto | November 15, 2019

9:00 am	Introduction	Stephen King
9:05 am	NFI Group	Paul Soubry and Glenn Asham
9:45 am	MCI	Ian Smart
10:00 am	New Flyer & ARBOC	Chris Stoddart
<b>10:25 am</b>	<b>BREAK: Vehicle Tours</b>	
10:55 am	ADL	Colin Robertson
11:20 am	NFI Parts	Brian Dewsnup
11:35 am	Supply & Fabrication	David White
<b>11:50 am</b>	<b>BREAK: Lunch Served / Vehicle Tours</b>	
12:15 pm	NFI Outlook and Q&A	
1:00 pm	Chairman's Closing	The Honourable Brian Tobin

# 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: fair value adjustments of total return swap, unrealized foreign exchange loss or gain, unrealized gain or loss on the interest rate swap, portion of the total return swap realized, costs associated with assessing strategic and corporate initiatives, non-recurring costs or recoveries relating to business acquisition, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, equity settled stock-based compensation, gain or loss on disposal of property, plant and equipment, gain on bargain purchase option, past service costs, recovery on currency transactions, prior year sales tax provision, gain on release of provision related to purchase accounting. References to "Adjusted Net Earnings per Share" are to Adjusted Net Earnings divided by the average number of Shares outstanding.

Management believes Adjusted EBITDA, Free Cash Flow, ROIC, Adjusted Net Earnings and Adjusted Earnings per Share are useful measures in evaluating the performance of the Company. However, Adjusted EBITDA, Free Cash Flow, ROIC, 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 press release 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. A reconciliation of net earnings and cash flows to Adjusted EBITDA, based on the Financial Statements, has been provided in the MD&A under the headings "Reconciliation of Net Earnings to Adjusted EBITDA" and "Reconciliation of Cash Flow to Adjusted EBITDA", respectively. A reconciliation of Free Cash Flow to cash flows from operations is provided under the heading "Summary of Free Cash Flow". A reconciliation of net earnings to Adjusted Net Earnings is provided under the heading "Reconciliation of Net Earnings to Adjusted Net Earnings". 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](http://www.sedar.com).

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

# 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 this presentation. 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, funding may not continue to be available to the Company’s customers at current levels or at all; the Company’s business is affected by economic factors and adverse developments in economic conditions which could have an adverse effect on the demand for the Company’s products and the results of its operations; currency fluctuations could adversely affect the Company’s financial results or competitive position; interest rates could change substantially, materially impacting the Company’s revenue and profitability; an active, liquid trading market for the Shares may cease to exist, which may limit the ability of shareholders to trade Shares; the market price for the Shares may be volatile; if securities or industry analysts do not publish research or reports about the Company or if their reports are inaccurate or unfavorable to the Company or its business, or if they adversely change their recommendations regarding the Shares or if the Company’s results of operations do not meet their expectations, the Share price and trading volume could decline. In addition, other risk factors may include entrance of new competitors; failure of the ratification of the United States-Mexico-Canada Agreement (USMCA) could be materially adverse to NFI; current requirements under “Buy America” regulations may change and/or become more onerous or suppliers’ “Buy America” content may change; the implications from the exit of United Kingdom (UK) from the European Union (commonly referred to as “Brexit”) could have a materially negative impact on the Company’s UK business, operations and sales from the UK into the European Union and the Company may have to modify its UK business practices in order to attempt to mitigate such impact and such mitigation steps may not be effective; failure of the Company to comply with the disadvantaged business enterprise (“DBE”) program requirements or the failure to have its DBE goals approved by the FTA; absence of fixed term customer contracts; exercise of options and customer suspension or termination for convenience; United States content bidding preference rules may create a competitive disadvantage; local content bidding preferences in the United States may create a competitive disadvantage; requirements under Canadian content policies may change and/or become more onerous; operational risk, dependence on limited sources or unique sources of supply; dependence on supply of engines that comply with emission regulations; a disruption, termination or alteration of the supply of vehicle chassis or other critical components from third-party suppliers could materially adversely affect the sales of certain of the Company’s products; the Company’s profitability can be adversely affected by increases in raw material and component costs as well as the imposition of tariffs and surtaxes on material imports; the Company may incur material losses and costs as a result of product warranty costs, recalls and remediation of buses; production delays may result in liquidated damages under the Company’s contracts with its customers; catastrophic events may lead to production curtailments or shutdowns; the Company may not be able to successfully renegotiate collective bargaining agreements when they expire and may be adversely affected by labour disruptions and shortages of labour; the Company’s operations are subject to risks and hazards that may result in monetary losses and liabilities not covered by insurance or which exceed its insurance coverage; the Company may be adversely affected by rising insurance costs; the Company may not be able to maintain performance bonds or letters of credit required by its contracts or obtain performance bonds and letters of credit required for new contracts; the Company is subject to litigation in the ordinary course of business and may incur material losses and costs as a result of product liability claims; the Company may have difficulty selling pre-owned coaches and realizing expected resale values; the Company may incur costs in connection with provincial, state or federal regulations relating to axle weight restrictions and vehicle lengths; the Company may be subject to claims and liabilities under environmental, health and safety laws; dependence on management information systems and cyber security risks; the Company’s ability to execute its strategy and conduct operations is dependent upon its ability to attract, train and retain qualified personnel, including its ability to retain and attract executives, senior management and key employees; the Company may be exposed to liabilities under applicable anti-corruption laws and any determination that it violated these laws could have a material adverse effect on its business; the Company’s risk management policies and procedures may not be fully effective in achieving their intended purposes; internal controls over financial reporting, disclosure controls and procedures; ability to successfully execute strategic plans and maintain profitability; development of competitive or disruptive products, services or technology; development and testing of new products; acquisition risk; third-party distribution/dealer agreements; availability to the Company of future financing; the Company may not be able to generate the necessary amount of cash to service its existing debt, which may require the Company to refinance its debt; the Company’s substantial consolidated indebtedness could negatively impact the business; the restrictive covenants in the Company’s credit facilities could impact the Company’s business and affect its ability to pursue its business strategies; payment of dividends is not guaranteed; a significant amount of the Company’s cash is distributed, which may restrict potential growth; NFI is dependent on its subsidiaries for all cash available for distributions; future sales or the possibility of future sales of a substantial number of Shares may impact the price of the Shares and could result in dilution; if the Company is required to write down goodwill or other intangible assets, its financial condition and operating results would be negatively affected; income tax risk, investment eligibility and Canadian federal income tax risks; the effect of comprehensive U.S. tax reform legislation on the NF Holdings and its U.S. subsidiaries (the “NF Group”), whether adverse or favorable, is uncertain; certain U.S. tax rules may limit the ability of NF Group to deduct interest expense for U.S. federal income tax purposes and may increase the NF Group’s tax liability; certain financing transactions could be characterized as “hybrid transactions” for U.S. tax purposes, which could increase the NF Group’s tax liability. NFI cautions that this list of factors is not exhaustive. These factors and other risks and uncertainties are discussed in NFI’s press releases, Annual Information Form and materials filed with the Canadian securities regulatory authorities which are available on SEDAR at [www.sedar.com](http://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 the date of this presentation and NFI assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws.



**PAUL SOUBRY**  
**PRESIDENT & CEO**  
**NFI GROUP INC.**



**A leading global independent  
Bus and Coach manufacturer.**

**OUR VISION is To enable the future of  
mobility with innovative and sustainable  
solutions**



# OUR STAKEHOLDER MODEL

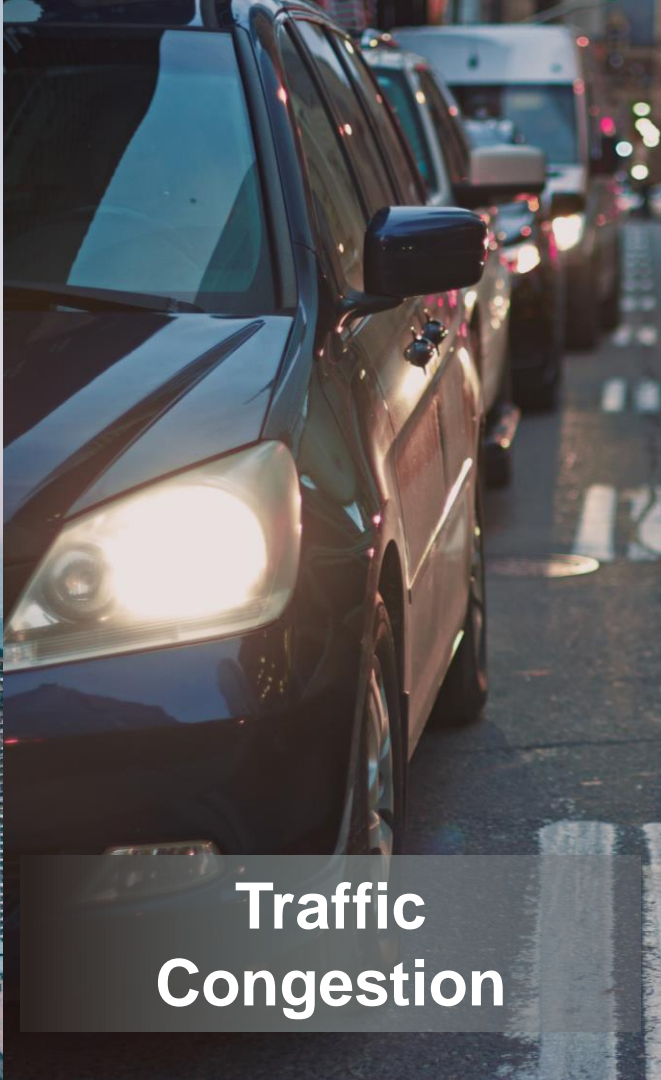
**That guides our focus,  
priorities and decision  
making**

**Balance for long term  
sustainable success**





**Mega  
Cities**



**Traffic  
Congestion**



**Emissions and  
Climate Change**



# THE CHANGING MACRO ENVIRONMENT CREATES OPPORTUNITIES FOR NFI



Regulatory



Electrification



Infrastructure



Global Trade Wars



ADAS

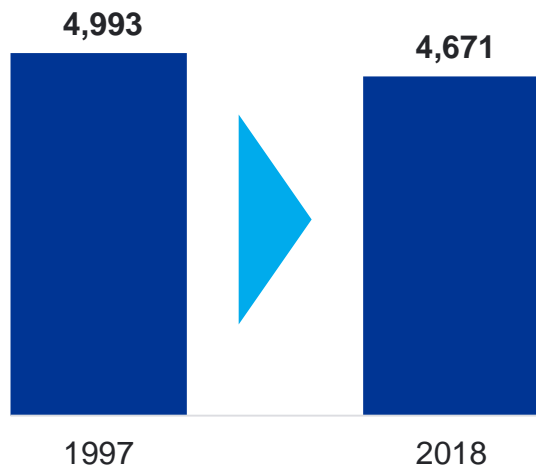


Alternative Finance

# BUSES & COACHES MOVE MILLIONS DAILY

While overall ridership is down slightly, agencies that invest in bus networks have seen ridership increase significantly

## North American Annual Bus Ridership (millions)

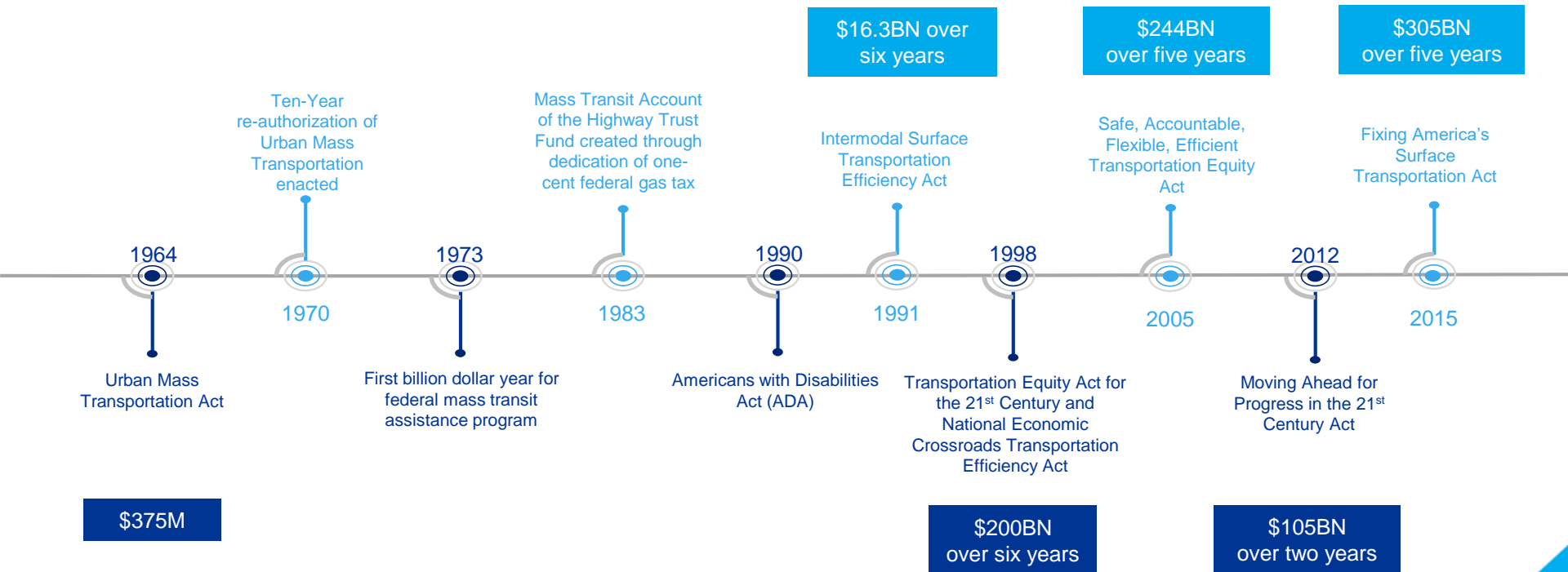


Passengers **-0.3% CAGR**  
Deliveries **1.5% CAGR**

## A Compelling case for Bus Transportation:

- Networks are cheaper and faster to implement than rail, subway and LRT
- Strongest ability to move large groups of people quickly and cost-efficiently
- Smaller footprint vs. individual vehicles
- Significant Emission Reduction and moving faster than passenger vehicles to ZEB
- Improving customer experience

# A BI-PARTISAN & LONG-TERM HISTORY OF U.S. FEDERAL SUPPORT FOR TRANSPORTATION



# FAMILY OF BLUE CHIP BUS & COACH BRANDS



The North American Leader in Heavy-Duty Transit buses



Tracing its roots to 1895 with the Dennis, Alexander and Plaxton companies, ADL is a global manufacturer of double deck and single deck buses and motor coaches headquartered in Larbert, Scotland



Started in 1941 in Winnipeg, North America's largest manufacturer of Motor Coaches

**nfi.parts**

North America's most comprehensive parts organization, providing parts, technical publications, training, and support for its OEM product lines

**ARBOC**

Founded in 2008 in Middlebury, Indiana ARBOC is a leader in low-floor cutaway and medium-duty shuttles

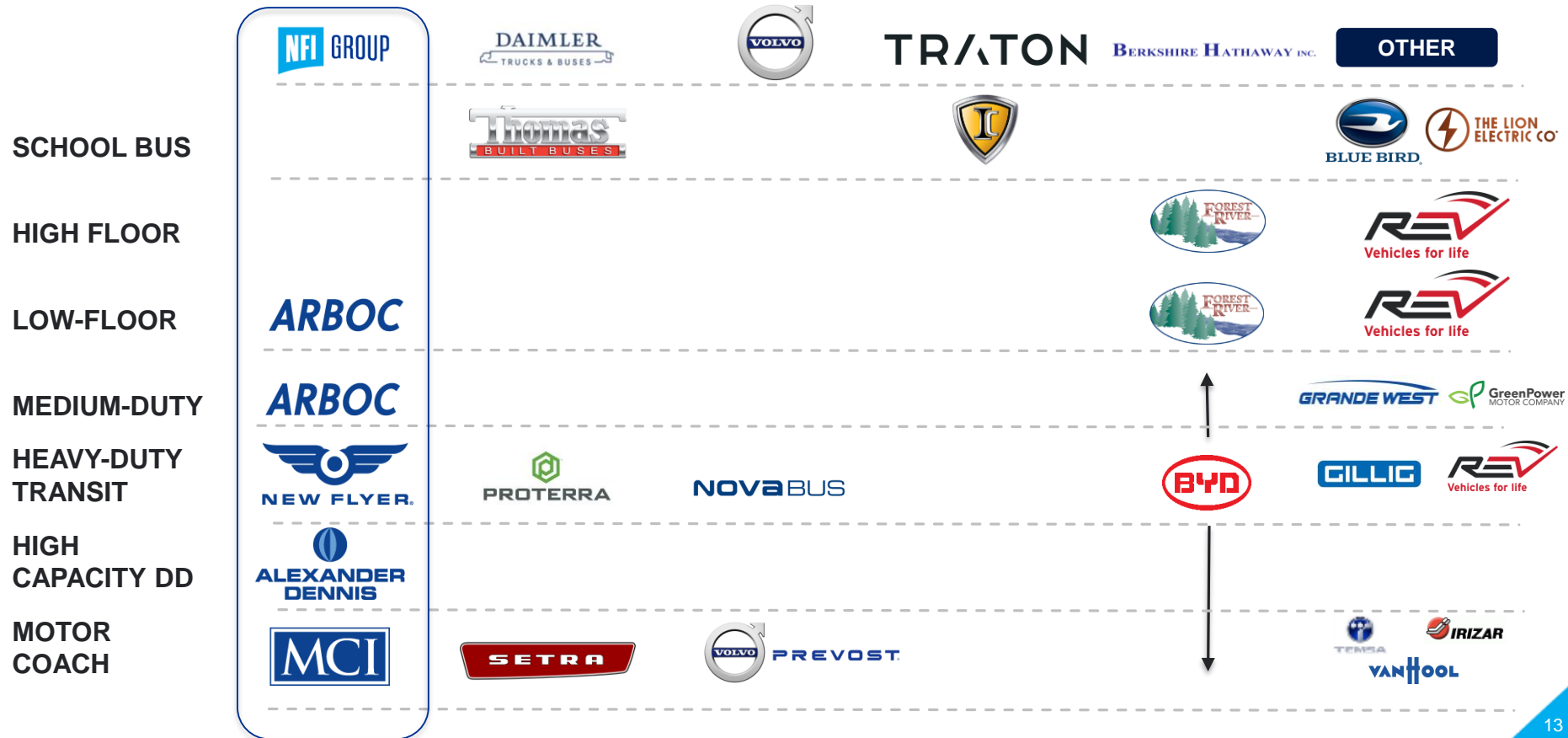


Carfair Composites is a leader in fiber-reinforced plastic (FRP) design and composites technology

**KMG**

NFI's dedicated internal parts-fabrication facility launched in 2017 in Shepherdsville, KY

# MARKET POSITIONING IN CANADA AND US





# NORTH AMERICA'S BROADEST OFFERING

## LF CUTAWAY

**ARBOC**



Low Floor  
Cutaway  
(ranging from  
21' to 34')

## MEDIUM-DUTY

**ARBOC**



Medium Duty  
Shuttle (27', 29  
and 34')

**ALEXANDER  
DENNIS**



Medium Duty  
Transit (30', 35')

## HEAVY-DUTY

**NEW FLYER.**



Heavy Duty  
Transit (35', 40')

## HIGH CAPACITY

**NEW FLYER.**



Heavy Duty  
Transit (60' articulated)

**ALEXANDER  
DENNIS**



Heavy Duty  
Double Deck (45')

## COMMUTER

**ALEXANDER  
DENNIS**



Heavy Duty  
Double Deck (45')

**MCI**



Motor Coach  
(45')

## MOTOR COACH

**MCI**



Motor Coach  
(35", 45')

**MCI**

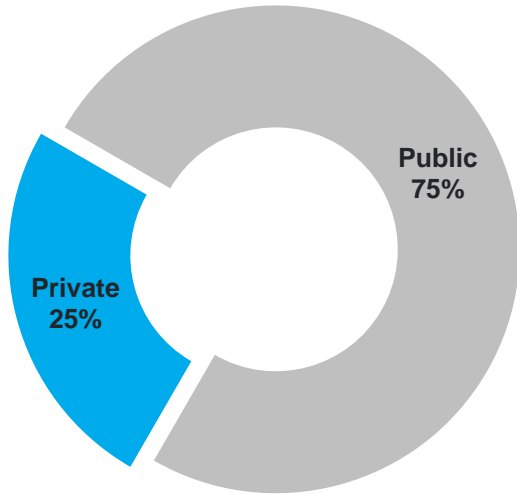


Motor Coach  
(35", 45')

# A DIVERSE BUSINESS MODEL

## Q3 2019 LTM Revenue

### By Customer<sup>(1)</sup>

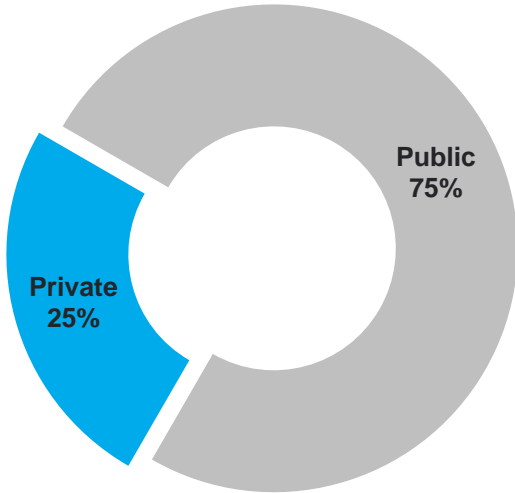


(1) ADL revenue only included for the period of May 28 to September 29, 2019. ADL tends to service private customers in the UK and Hong Kong markets, while servicing public customers in North America, Singapore and New Zealand. On a pro-forma basis including ADL pre-acquisition figures for the Q3 2019 LTM period the public private revenue split would be approx. 70% / 30%

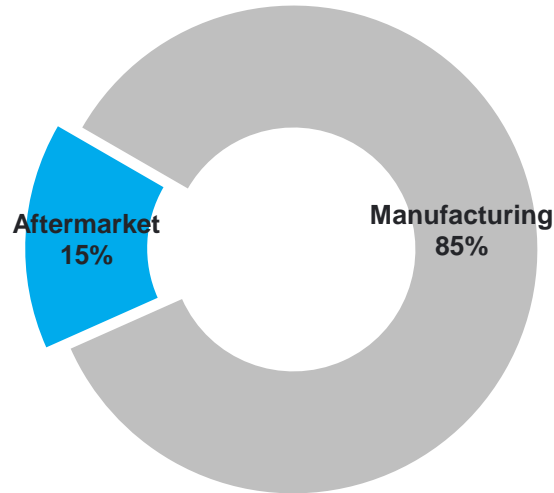
# A DIVERSE BUSINESS MODEL

## Q3 2019 LTM Revenue

By Customer<sup>(1)</sup>



By Segment<sup>(1)</sup>

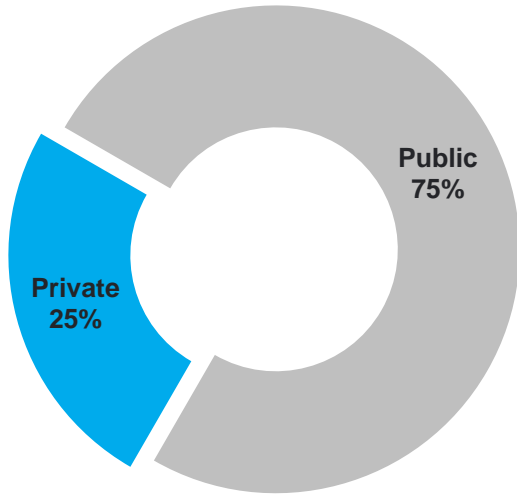


<sup>(1)</sup> ADL revenue only included for the period of May 28 to September 29, 2019. ADL tends to service private customers in the UK and Hong Kong markets, while servicing public customers in North America, Singapore and New Zealand. On a pro-forma basis including ADL pre-acquisition figures for the Q3 2019 LTM period the public private revenue split would be approx. 70% / 30%

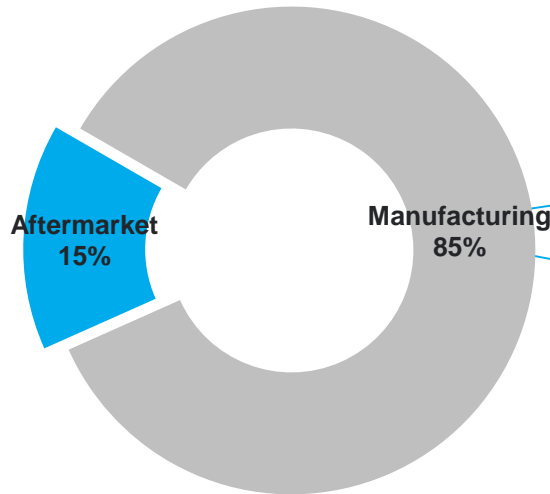
# A DIVERSE BUSINESS MODEL

## Q3 2019 LTM Revenue

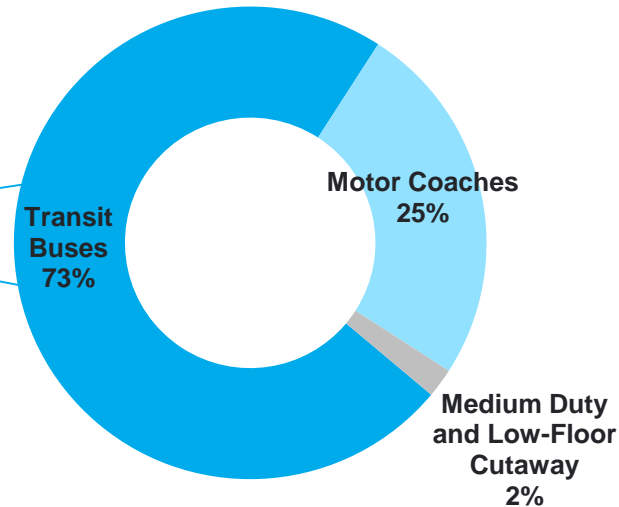
By Customer<sup>(1)</sup>



By Segment<sup>(1)</sup>



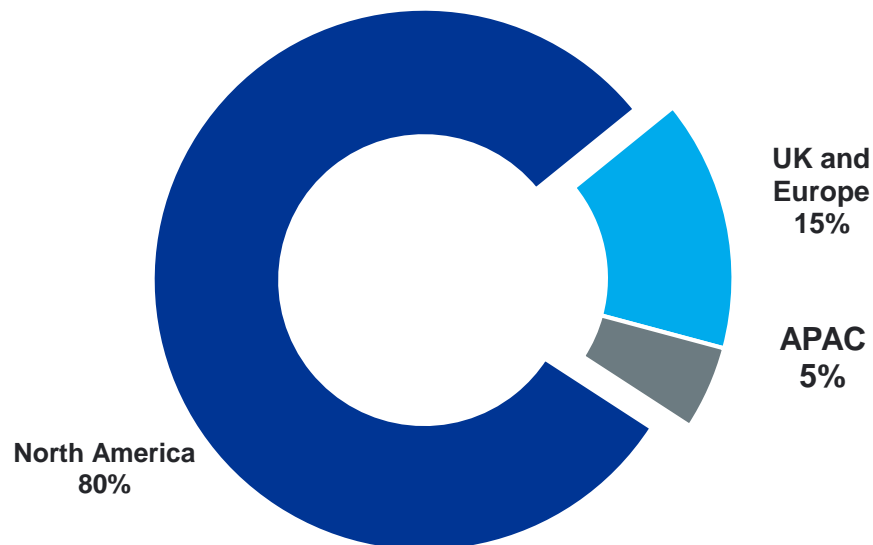
By Product<sup>(1)</sup>



(1) ADL revenue only included for the period of May 28 to September 29, 2019. ADL tends to service private customers in the UK and Hong Kong markets, while servicing public customers in North America, Singapore and New Zealand. On a pro-forma basis including ADL pre-acquisition figures for the Q3 2019 LTM period the public private revenue split would be approx. 70% / 30%

# NOW A GLOBAL BUS & COACH BUSINESS

Q3 2019 LTM Pro-Forma  
Revenue by Region<sup>(1)</sup>



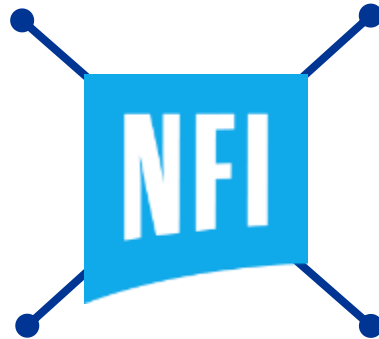
- Leadership positions in Canada, United States, UK, New Zealand and Hong Kong
- Vehicles in 10 different jurisdictions
- 20% of revenue now derived from outside of Canada/US
- Diversified business model helps counter market specific cyclicalities
- ADL will grow its European business with landmark BVG Berlin contract, starting to contribute in 2021

1) Pro-forma combined business for the period October 1, 2018 to September 29, 2019 all ADL information related to the periods before the Acquisition Date (May 28, 2019) are based on audited financial statements of ADL provided to NFI, which were prepared on the basis of UK GAAP. NFI has not independently verified such statements. ADL's reported results above have been conformed to IFRS.





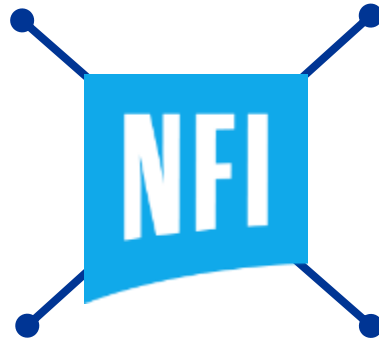
# NFI IS A LEADER IN TECHNOLOGY DEVELOPMENT



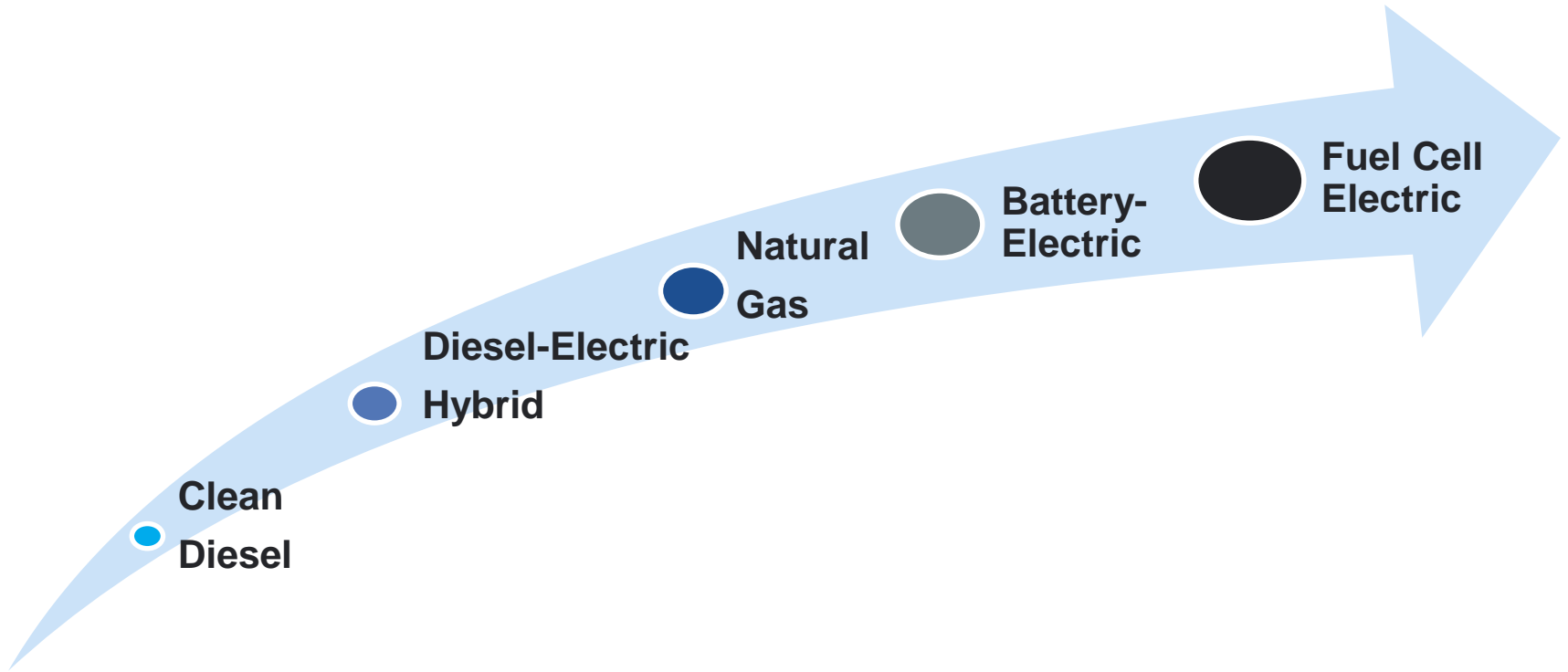


# NFI IS A LEADER IN TECHNOLOGY DEVELOPMENT

Propulsion Agnostic on Proven Platforms



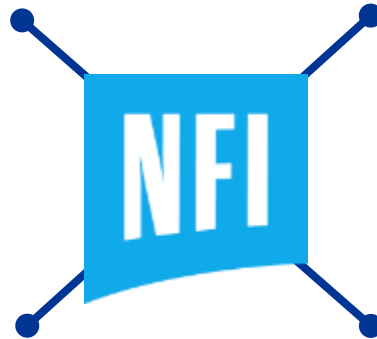
# FULL RANGE OF PROPULSION PLATFORMS



**Supporting customers on their journey to zero-emission vehicles**

# NFI IS A LEADER IN TECHNOLOGY DEVELOPMENT

Propulsion Agnostic on Proven Platforms



Leader in ZEBs and Infrastructure

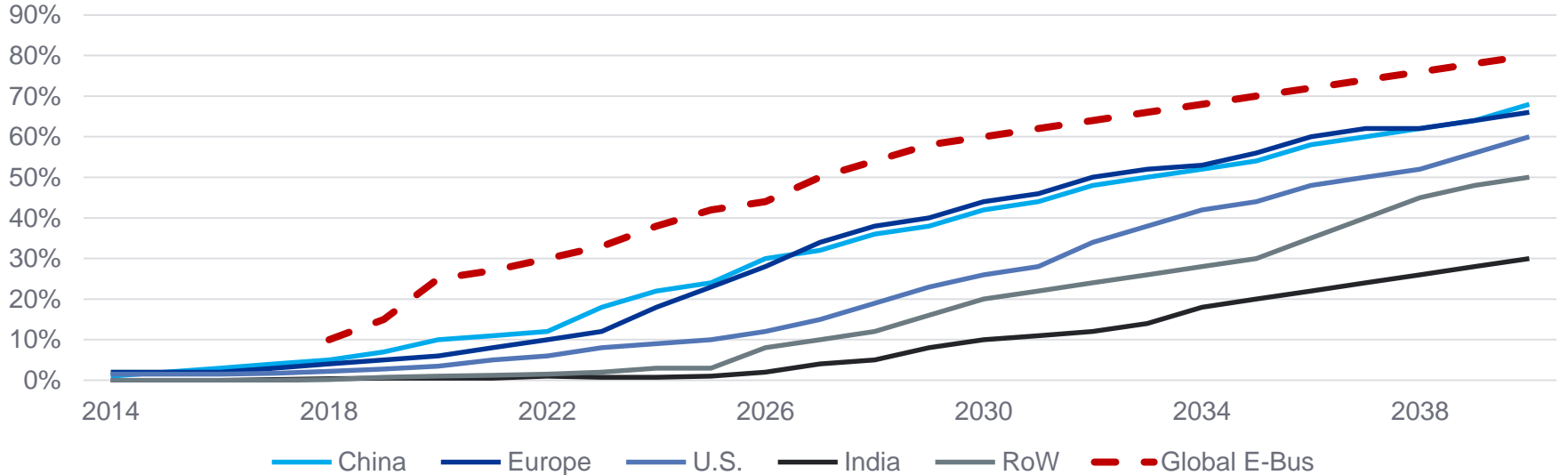
**VIC** | VEHICLE  
INNOVATION  
CENTER

**NEW FLYER.**  
INFRASTRUCTURE  
SOLUTIONS™

# GLOBAL TRANSITION TO ELECTRIC VEHICLES

An evolution, not a revolution and buses will lead the way

Global Long-Term EV and eBus Adoption





# A LEADER IN RELIABLE ZERO EMISSION BUSES (ZEB)



# LEADING ZERO EMISSION BUS DEPLOYMENT

**VIC** | VEHICLE  
INNOVATION  
CENTER



**NEW FLYER®**  
INFRASTRUCTURE  
SOLUTIONS™



# NFI IS A LEADER IN TECHNOLOGY DEVELOPMENT

Propulsion Agnostic on Proven Platforms

Leader in ZEBs and Infrastructure



Telematics and Connected Vehicles



# ANALYTICS DRIVE SMARTER PERFORMANCE



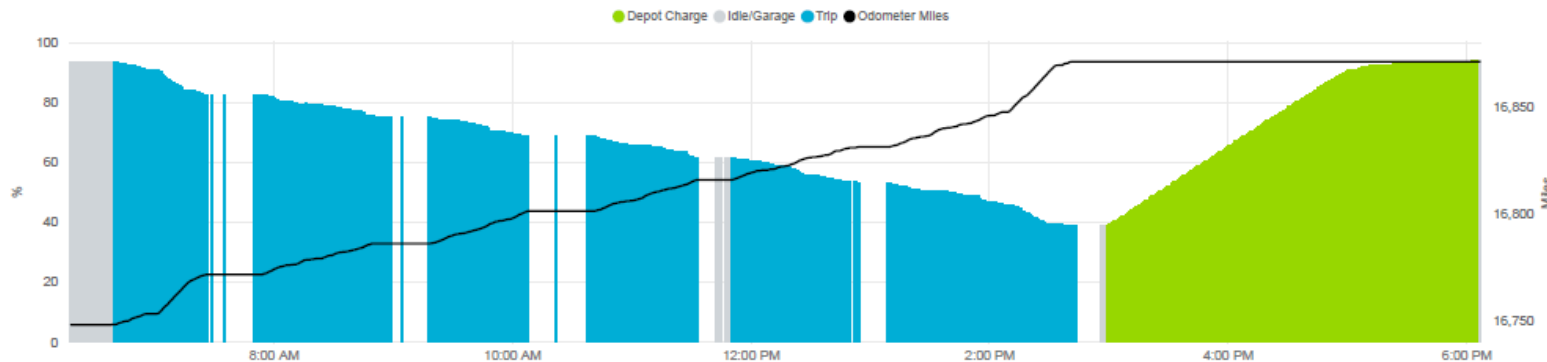
NEW FLYER  
CONNECT\*



DATE: Tue, Nov 12, 2019  
 BUS: 1752  
 MODEL: XE40  
 ESS CAPACITY: 480 kWh



STATE OF CHARGE AND ODOMETER MILES



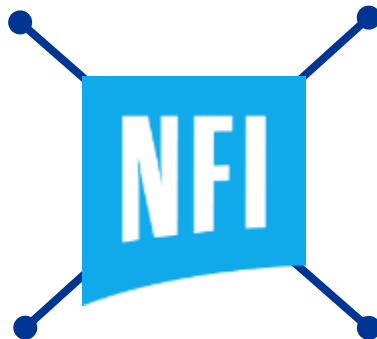
TRIP							CHARGE					IDLE						
Id	Duration	HV Acces. Energy (kWh)	LV Acces. Energy (kWh)	Elect. Heater Energy (kWh)	Traction Energy (kWh)	Mileage (miles)	Id	Type	Duration	HV Acces. Energy (kWh)	LV Acces. Energy (kWh)	Elect. Heater Energy (kWh)	HV Batt. Energy (kWh)	Id	Duration	HV Acces. Energy (kWh)	LV Acces. Energy (kWh)	Elect. Heater Energy (kWh)
1	04:52:33	2.27	27.59	45.02	78.72	67.65	1	Depot Charge	03:07:03	1.36	2.68	0.00	264.96	1	00:20:00	0.13	0.50	0.00
2	02:52:52	1.52	6.36	23.22	78.34	55.38	2		00:06:43	0.00	0.20	0.20	0.80	2	00:06:43	0.00	0.20	0.80
							3		00:01:04	0.00	0.06	0.00	0.00	3	00:01:04	0.00	0.06	0.00
<b>Total</b>	<b>07:45:25</b>	<b>3.79</b>	<b>33.42</b>	<b>68.23</b>	<b>157.59</b>	<b>123.03</b>	<b>Total</b>		<b>03:07:03</b>	<b>1.36</b>	<b>2.68</b>	<b>0.00</b>	<b>264.96</b>	<b>Total</b>	<b>00:27:47</b>	<b>0.14</b>	<b>0.77</b>	<b>0.80</b>



# NFI IS A LEADER IN TECHNOLOGY DEVELOPMENT

Propulsion Agnostic on Proven Platforms

Leader in ZEBs and Infrastructure



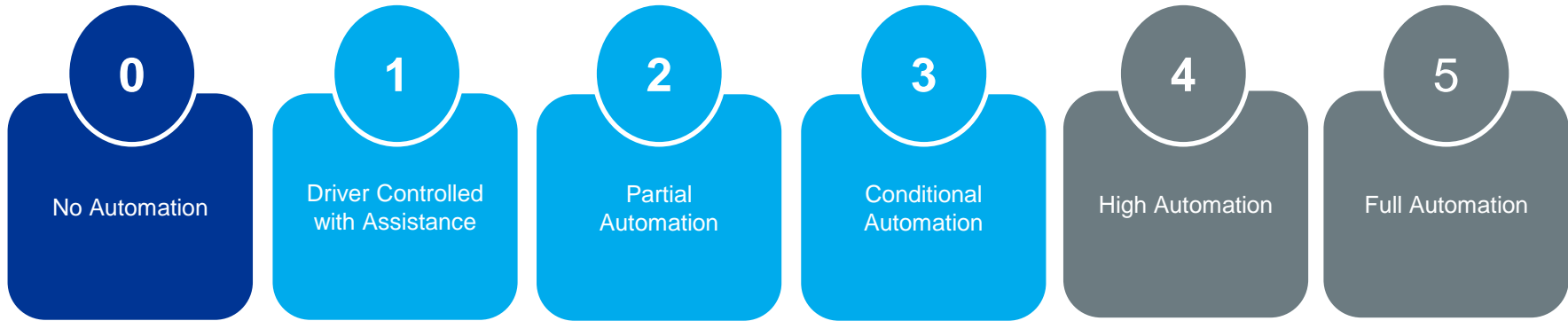
Telematics and Connected Vehicles

Advanced Driver Assistance Systems





# DEPLOYING ADVANCED DRIVER ASSISTANCE AND AUTONOMOUS SYSTEMS (ADAS)



Currently offer a range of ADAS features



Teamed with US military supplier to develop for Level 4 autonomous vehicles



Teamed with a UK customer and tech partner to test zero-emission geo-fencing on hybrids

# OUR TRACK RECORD

- A trusted business partner with nearly 400 years of combined bus and motor coach design and manufacturing experience
- 5 year Revenue CAGR of 13.3% and Adj. EBITDA CAGR of 22.3%
- Peer Leading Adj. EBITDA margin
- Multi-year backlog
- Recently acquired ADL (2014 – 2018 revenue CAGR of 10.5%)
- Prudent capital management focused on investing in business operations, strategic acquisitions and returning cash to shareholders through Dividends and NCIB

# OUR DIFFERENTIATORS

1. Exclusively focused on bus & coach with market leading positions in multiple jurisdictions
2. ~75% of revenue driven by public customers
3. A market technology leader with a track record of innovation offering all types of propulsion options
4. Vertically integrated North American part fabrication to control cost, time and quality. Offers and margin enhancement. Opportunities to apply at ADL
5. A developing global supply chain and scale purchasing power
6. ADL's experience in growing in new markets

# NFI GROUP STRATEGIC PRIORITIES

Maintain market  
leadership in all key  
markets

Apply OpEx and  
LEAN practices  
across the business

Technology council  
connected across  
NFI focused on EV,  
autonomous  
connected vehicles

Drive market  
leadership in EV

Provide mobility  
solutions, not just  
vehicles

Deliver on NFI group  
leverage and  
synergy potential to  
enhance  
competitiveness

Technology Leadership

Revenue Growth

Profit Enhancement

Cash Generation

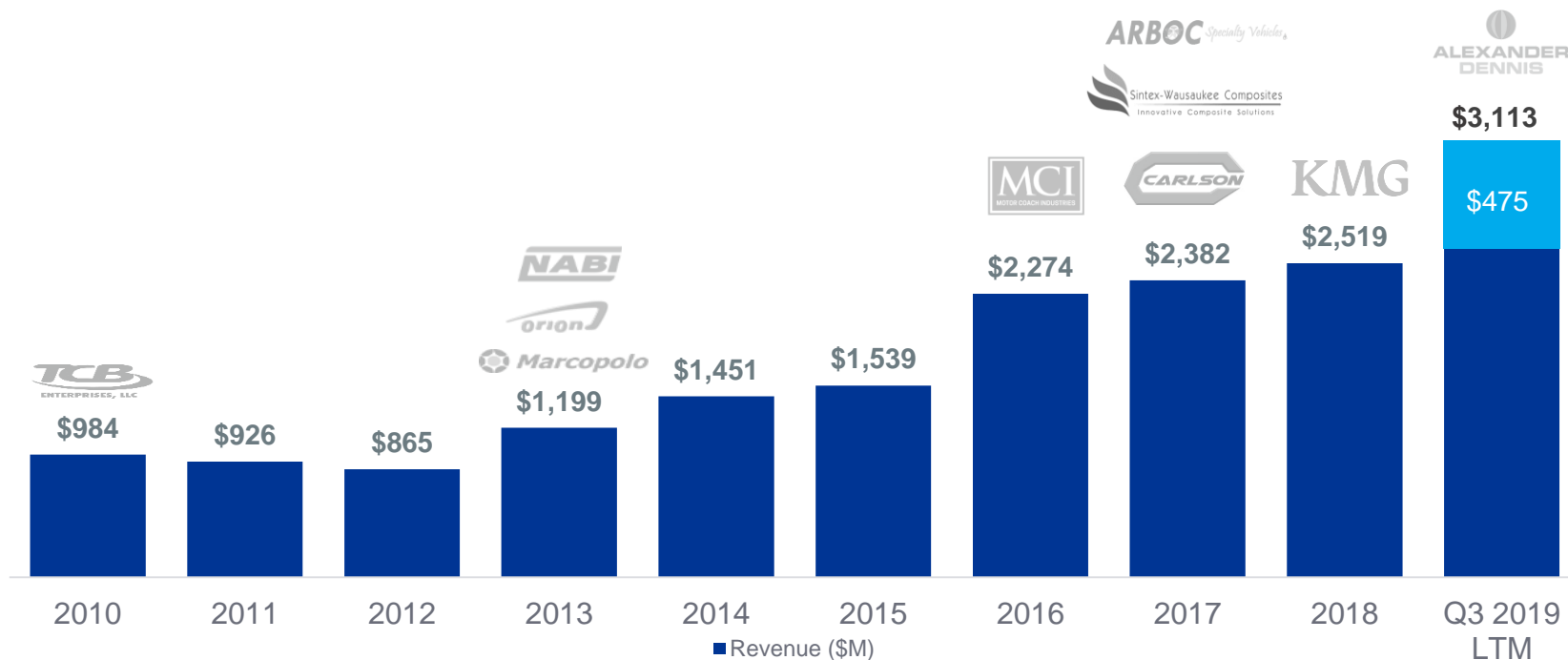
Customer Satisfaction



**GLENN ASHAM**  
**EVP & CFO**  
**NEW FLYER GROUP INC.**

# STRATEGIC GROWTH AND DIVERSIFICATION

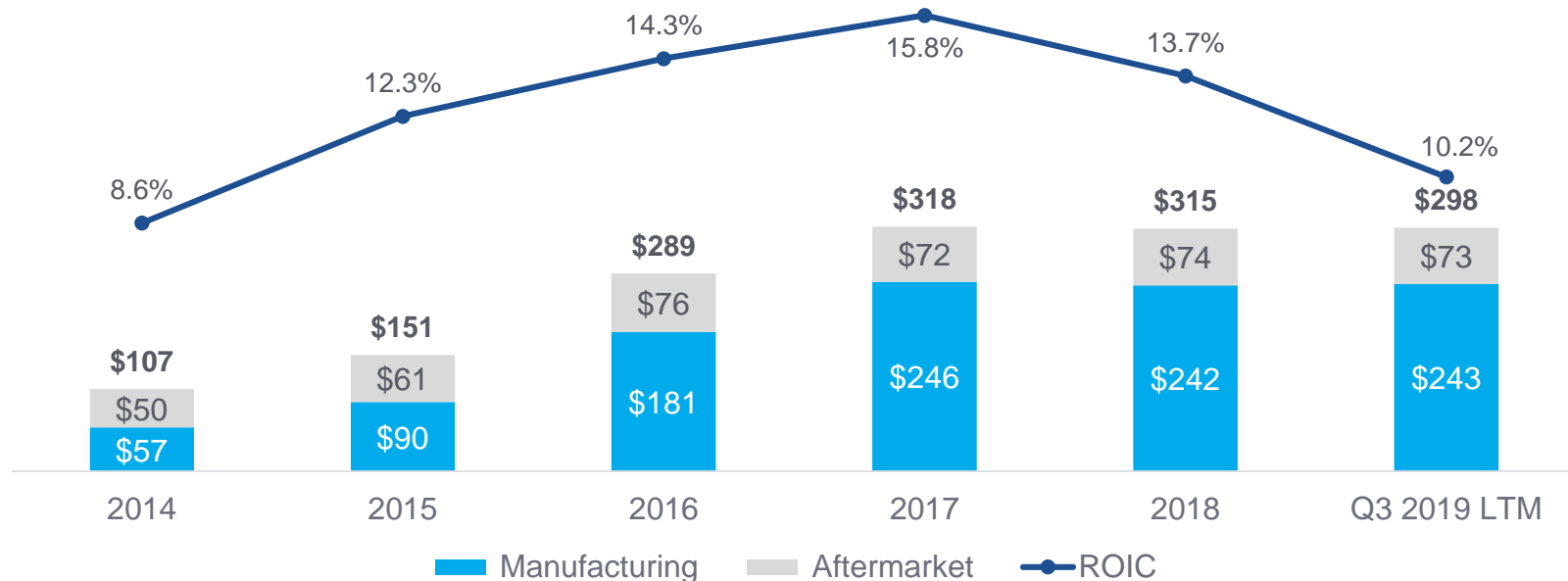
Built to deliver growth, margin enhancement and exceptional vehicles



1) Pro-forma combined business for the period October 1, 2018 to September 29, 2019 all ADL information related to the periods before the Acquisition Date are based on audited financial statements of ADL provided to NFI, which were prepared on the basis of UK GAAP. NFI has not independently verified such statements. ADL's reported results above have been conformed to IFRS.

# EBITDA AND ROIC

- Strong EBITDA growth since 2014
- However, product mix and production challenges impacted 2018 and 2019 results
- Moving forward expect ROIC and Adjusted EBITDA improvement as benefits from investments and group alignment are realized in future periods



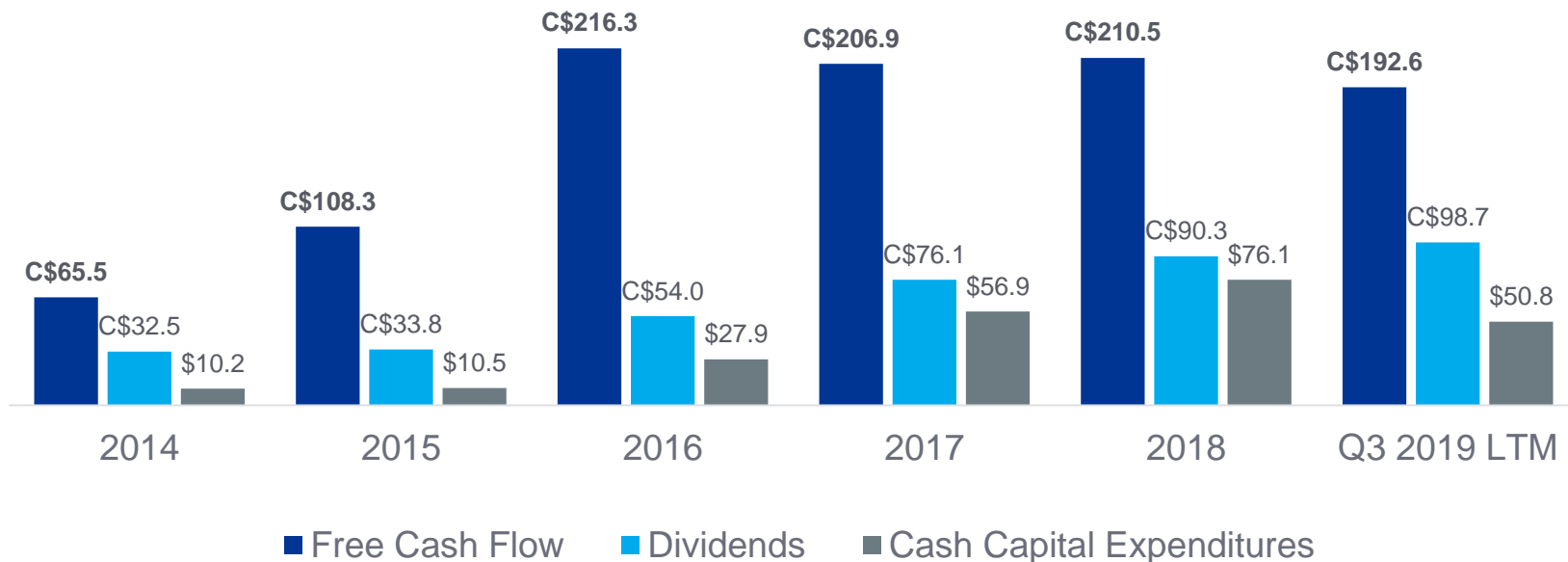
1) See "Non-IFRS" measures on slide 3

2) ADL results within the Q3 2019 LTM number from May 28, 2019 onwards. Results for Q1, Q2, Q3 2019 included within Q3 2019 LTM reflect the impact of IFRS 16



# STRONG FREE CASH FLOW GENERATION

Funded significant returns to shareholders, acquisitions and capital investments



1) See “Non-IFRS” measures on slide 3

2) ADL results within the Q3 2019 LTM number from May 28, 2019 onwards. Results for Q1, Q2, Q3 2019 included within Q3 2019 LTM reflect the impact of IFRS 16

# TOTAL LEVERAGE

Leverage inflated following ADL acquisition and WIP build-up, but path to return to target range



**Target 2.0x to 2.5x in 18 to 24 months**

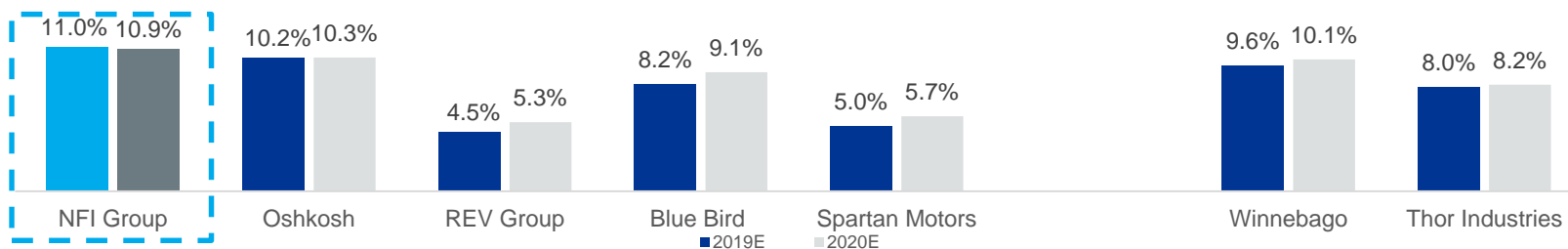
# RETURNING CAPITAL TO SHAREHOLDERS THROUGH DIVIDENDS AND NCIB



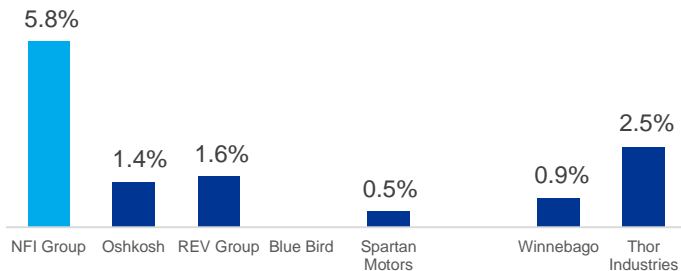
Q2 18 – Q1 19 Repurchase of 2.39M shares for \$97M CDN

# PEER LEADING PERFORMANCE METRICS

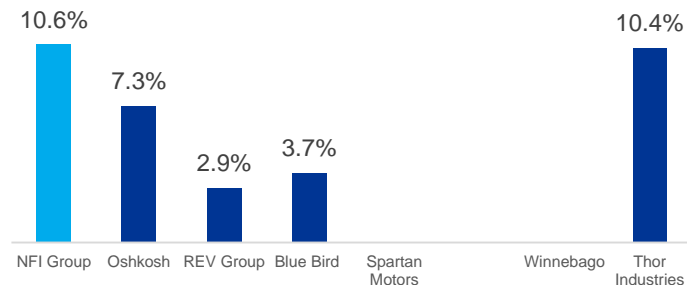
## Estimated EBITDA Margin % - 2019E and 2020E<sup>(1)</sup>



## Dividend Yield<sup>(2)</sup>



## Free Cash Flow Yield 2019<sup>(3)</sup>



(1) Information as of November 5, 2019—sourced from Thomson Reuters and based on average EBITDA 2019E and 2020E analysts consensus estimates  
 (2) Dividend Yield as of November 5, 2019. Blue Bird and Navistar do not pay a dividend  
 (3) FCF Yield calculated as Analyst Consensus 2019E FCF divided by market cap. Spartan and Winnebago excluded due to insufficient data



**IAN SMART**  
**PRESIDENT**  
**MCI**



# NORTH AMERICA'S MOTOR COACH LEADER



Founded in **1930**

Over **1,600** team members

**Two** facilities / **Seven** service centers

**783,000+** sq. ft. of production space

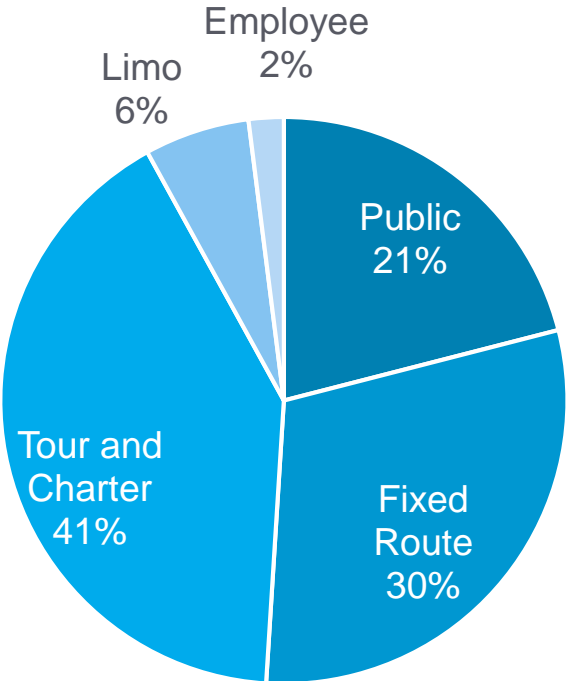
More than **20,000** vehicles in service

Highest selling **public** and **private**  
motor coach in North America

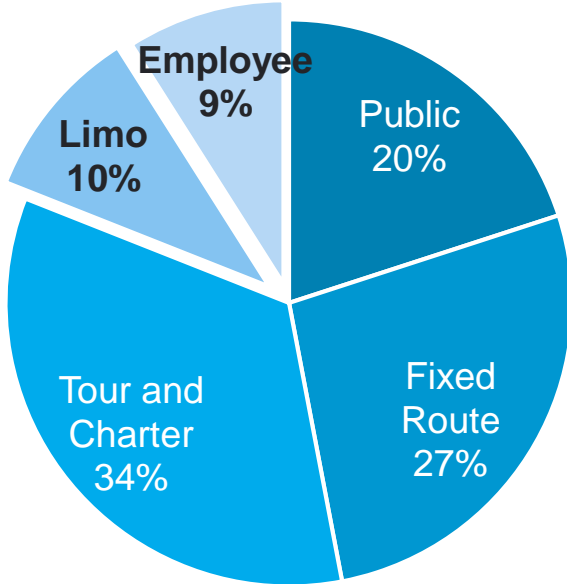
# MARKET HAS CHANGED SIGNIFICANTLY FROM 2007

Less fixed-route, more employee shuttle and limo/executive shuttle

**NA Coach Market Segments 2007**



**NA Coach Market Segments 2018**



Source: American Bus Association and Management Database



# MCI'S COACH PORTFOLIO

Transition to common line manufacturing

## Pre-Acquisition

D4500 (1992)



ISTV (2005)



J4500 (2006)



## 2019 Additions

D45 CRT LE



J3500



## 2020 and Forward

D45 CRT / D4520



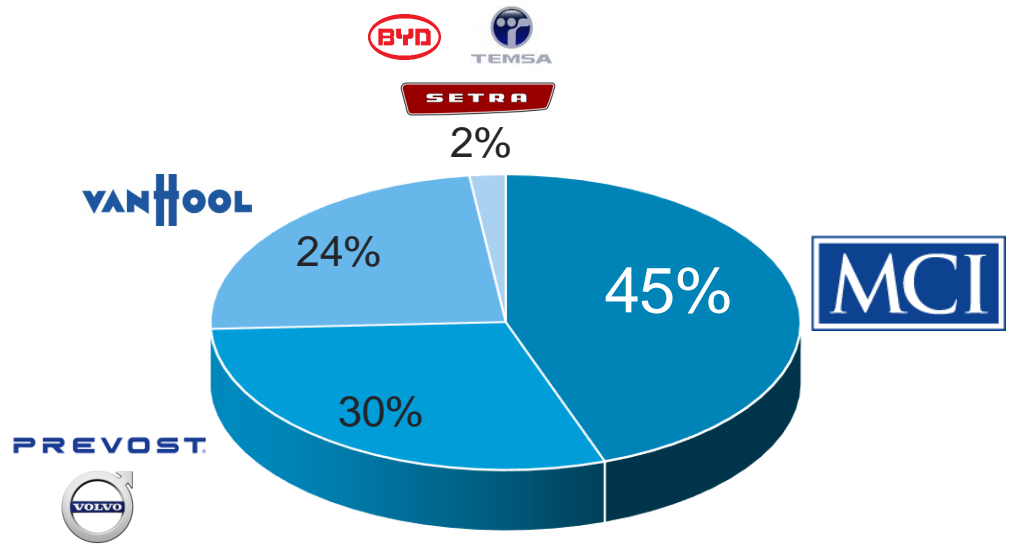
## Battery Electric Variants





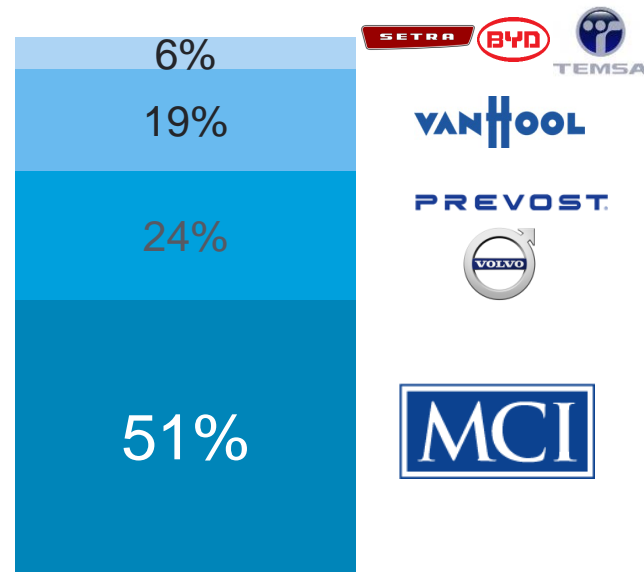


**North American Market Share 2018**



**Equivalent Units  
Delivered in 2018:  
2,305 EU's**

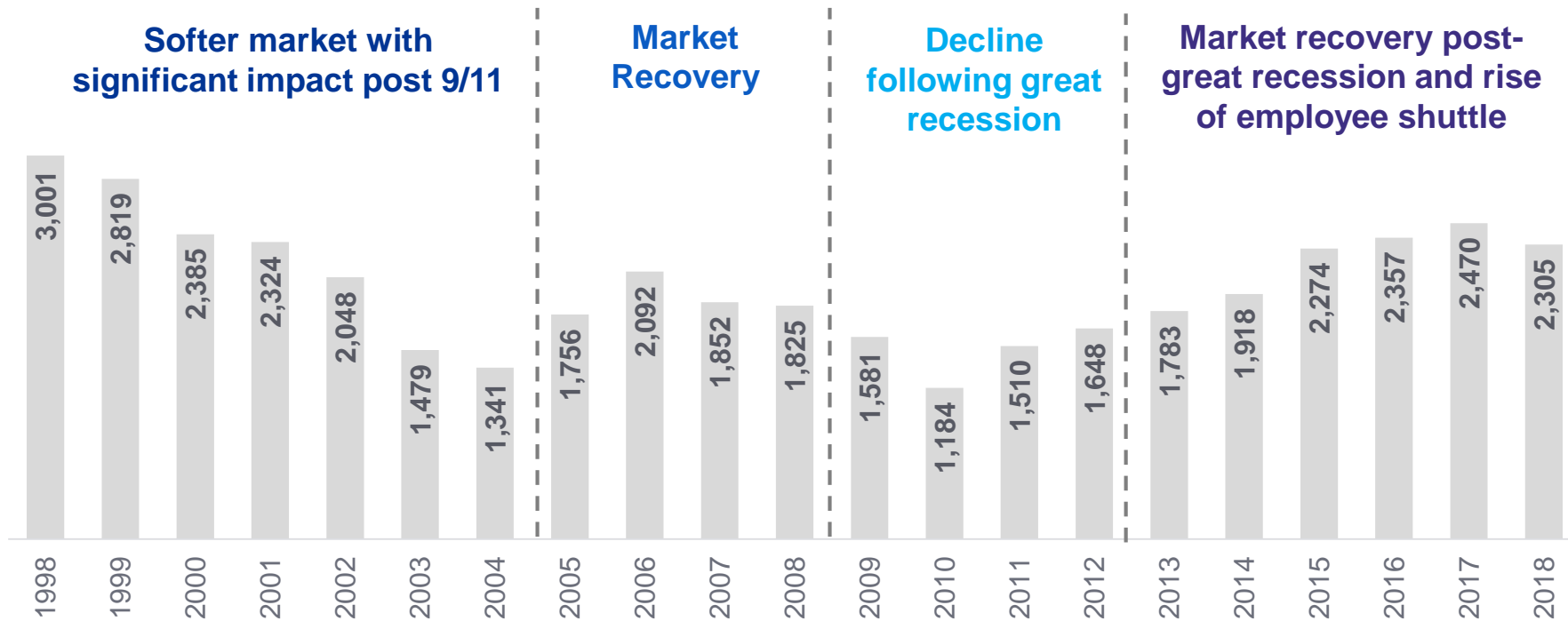
**North American Fleet Share**



**Estimated Motor Coaches In Service:  
55,000 coaches**

# SOME MARKET SLOW DOWN IN 2018/2019

Creates opportunities to grow share



# MCI STRATEGIC PRIORITIES

Continued rollout of new models (J3500, D45 CRT LE, EV Coach)

Grow share in North American private motor coach

Technology Leadership

Revenue Growth

Profit Enhancement

Cash Generation

Customer Satisfaction

Apply New Flyer OpEx and LEAN learnings to MCI production

Prepare for common line production



**CHRIS STODDART**  
**PRESIDENT**  
**NEW FLYER**



# NORTH AMERICA'S HEAVY DUTY TRANSIT BUS LEADER



Founded in **1930**

More than **3,600** team members

**Eight** facilities

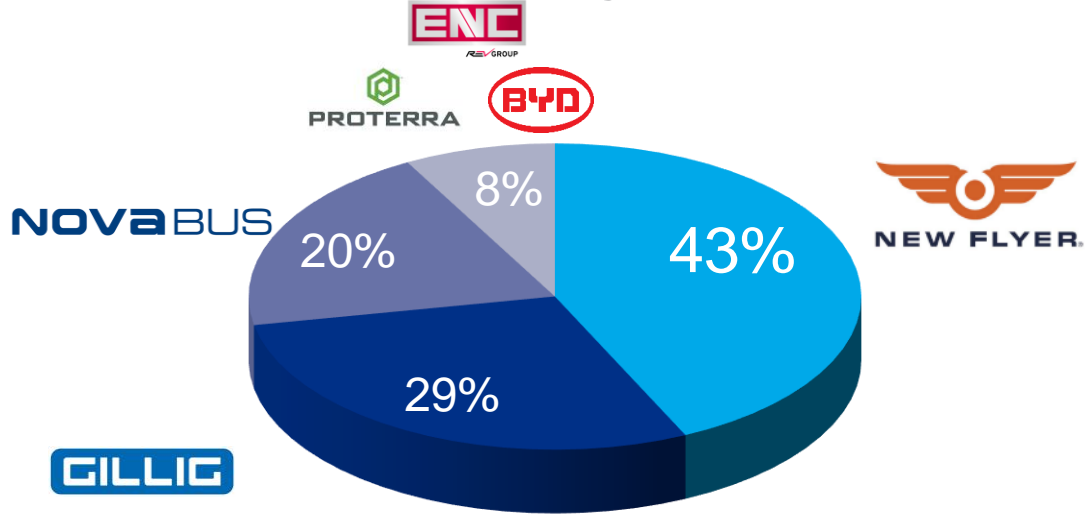
**1,500,000** sq. ft. of production space

More than **36,000** vehicles in service

# EVERY DAY MILLIONS OF RIDERS RELY ON

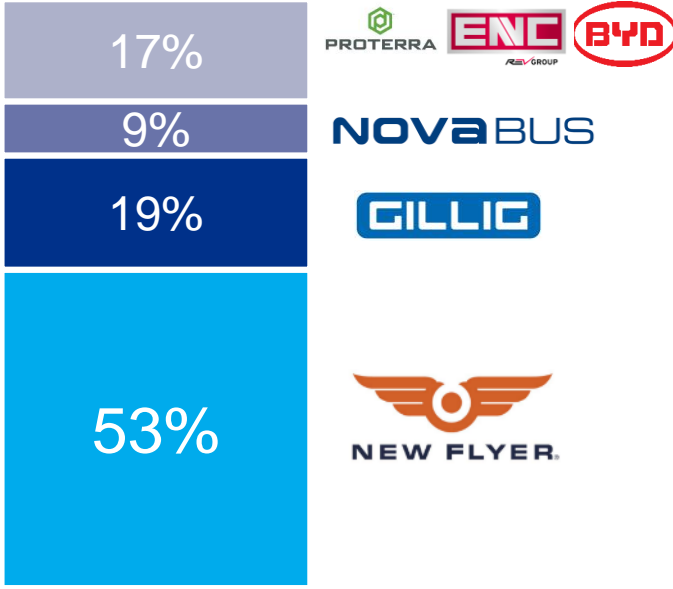


## Market Leading Position



**Equivalent Units  
Delivered in 2018:**  
6,305 EU's

## Largest Installed Base



**Estimated Transit Buses In Service:**  
80,000 buses

Source: Metro Magazine, American Public Transportation Association and Management Database



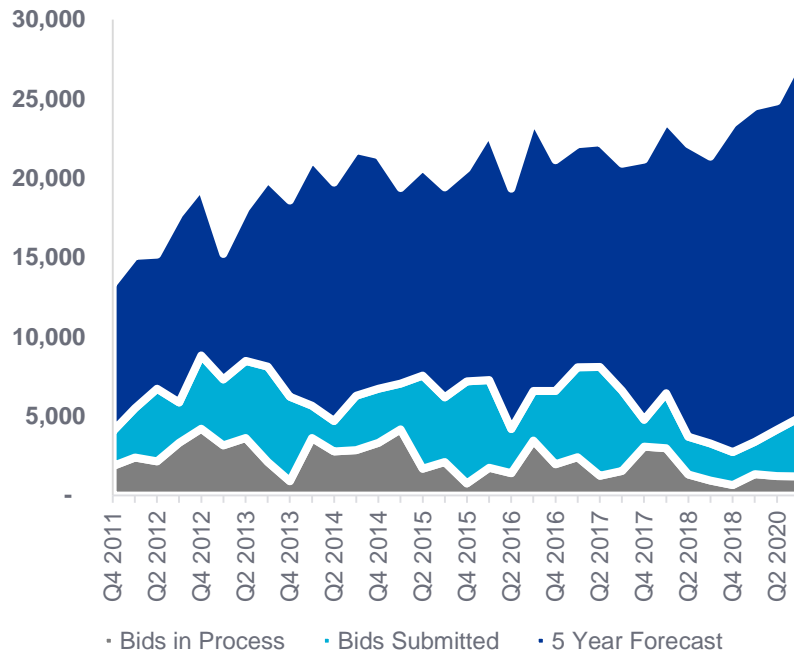
# PREPARING FOR THE EMERGENCE OF SMART CITIES

- Zero-Emission Multi-Modal Transit
- Scalable, Interoperable Charging Solutions
- Connected Vehicle Technologies
- Automated Driving Features & Safety Enhancements
- Financing options to bridge the infrastructure investment gap



# ROBUST HEAVY-DUTY TRANSIT DEMAND INTERRUPTED BY TECHNOLOGY

5-Year Bid Universe  
(Equivalent Units)



**Lull in multi-year procurements as customers redesign routes and plan fleet electrification.**

- Highest overall 5-year demand on record
- 32% zero-emission vehicles
- Increasing number of transactional procurements
- Low # units awarded year to date



# EVOLVING VEHICLES AND SERVICES FOR A CHANGING MOBILITY LANDSCAPE



**VIC** | VEHICLE INNOVATION CENTER

**NEW FLYER.**  
INFRASTRUCTURE SOLUTIONS™

**CONNECT 360**

	35' & 40' Single Deck	60' Articulated
Clean Diesel	✓	✓
Natural Gas	✓	✓
Diesel Hybrid	🍃	🍃
Trolley-Electric	🍃	🍃
Battery-Electric	🍃	🍃
Fuel Cell-Electric	🍃	🍃

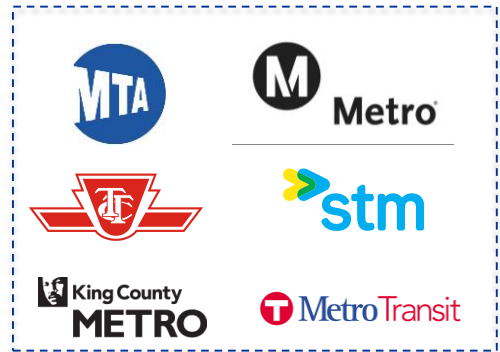
# NFI A LEADER IN ZERO EMISSION BUSES



xcelstor **CHARGE**™



xcelstor **CHARGE H2**™



NFI

# LONGEST RANGE ZEB IN NORTH AMERICA



Equal range  
as diesel  
vehicle

560 KM range

Highlights  
fuel cell role  
in ZEB



# NEW FLYER STRATEGIC PRIORITIES

Defend North  
American market  
position – traditional  
propulsion

Capture highest share  
of emerging market –  
ZEB Propulsion

Xcelsior Charge –  
Focused effort on  
continuous  
improvement

Leverage collective  
synergies of the  
Group

Technology Leadership

Revenue Growth

Profit Enhancement

Cash Generation

Customer Satisfaction



# NORTH AMERICA'S LEADER IN LOW-FLOOR CUTAWAY BUSES

## ***ARBOC***

Founded in **2008**

Disruptive Low Floor Cutaway Bus

Growing Medium-duty Shuttle

More than **150** team members

Headquartered in **Middlebury, IN**

**114,000+** sq. ft. of production space

More than **3,000** vehicles in service

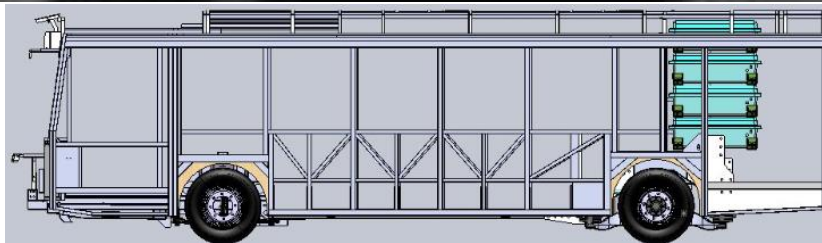




**Monocoque  
medium-duty**

**Leverage  
NFI HD  
production  
expertise**

**Diesel and  
CNG.  
EV under  
development**



# ACCESSIBLE MOBILITY SOLUTION FOR EVERY MARKET



Spirit of Independence



Spirit of Freedom



Spirit of Mobility



Spirit of Liberty



Spirit of Equess™

## ARBOC STRATEGIC PRIORITIES

Technology Leadership

Revenue Growth

Profit Enhancement

Cash Generation

Customer Satisfaction

Increase share of  
medium-duty market

Double cutaway  
vehicle deliveries

Apply New Flyer  
OpEx and LEAN  
manufacturing  
expertise

Electrification of  
medium-duty product



The background of the slide is a photograph of a modern city skyline at night, featuring several tall skyscrapers with illuminated windows. A large, dark blue diagonal shape covers the bottom right portion of the image, serving as a background for the text.

**NFI** GROUP

NOVEMBER 15, 2019

# Investor Day 2019 Break and Vehicle Tours



**COLIN ROBERTSON**  
**CEO ADL**  
**PRESIDENT NFI INTERNATIONAL**



# WORLD'S LARGEST PRODUCER OF DOUBLE DECK BUSES AND A UK LEADER IN THE PROVISION OF BUSES, COACHES AND SERVICES



Founded in **1895**

More than **2,500** team members

**Eight** facilities

More than **31,000** vehicles in service

# ADL STRATEGIC PRIORITIES

Technology Leadership

Revenue Growth

Profit Enhancement

Cash Generation

Customer Satisfaction

Be the undisputed  
leader in the UK  
market

Double the size of  
our North  
American  
business

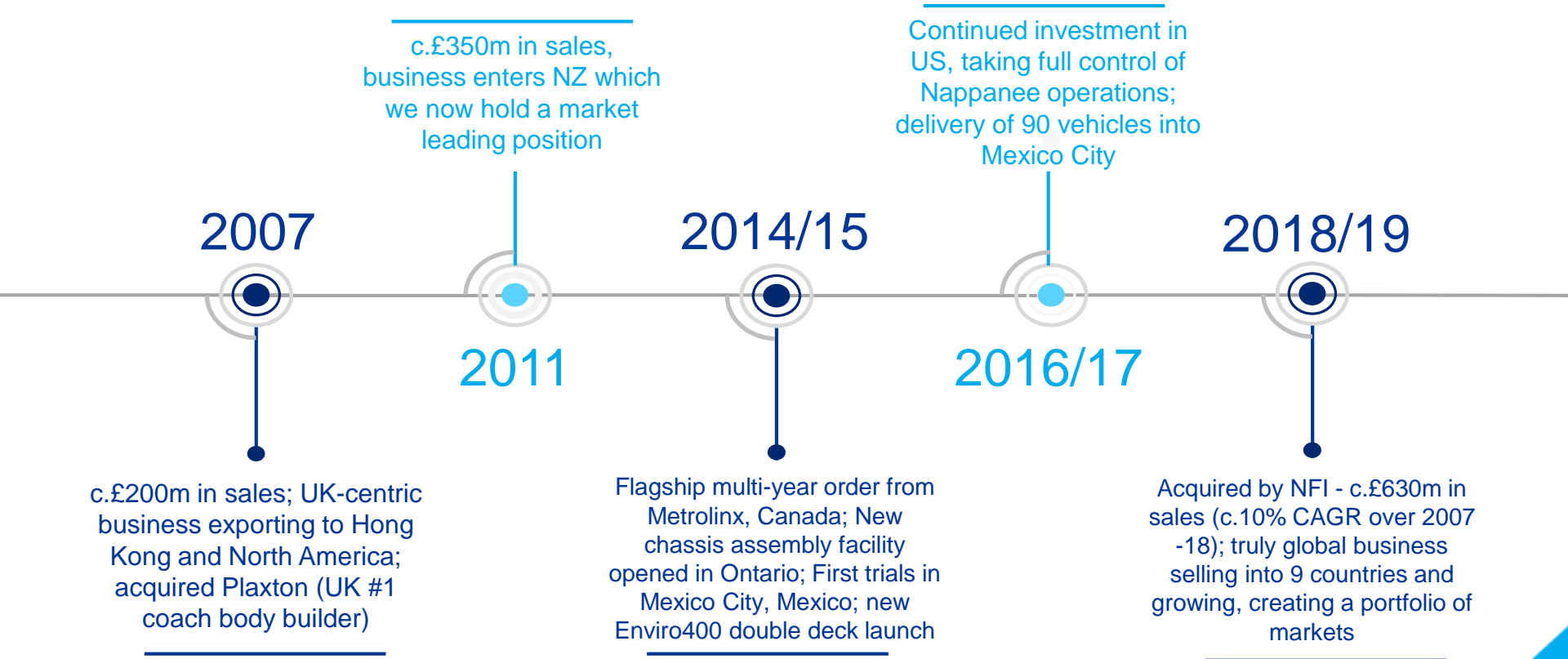
Grow our APAC  
business beyond  
Hong Kong

Innovate and  
deliver best in  
class products and  
service

Deliver a quarter  
of our sales EV  
by 2022

Deliver the  
Berlin contract

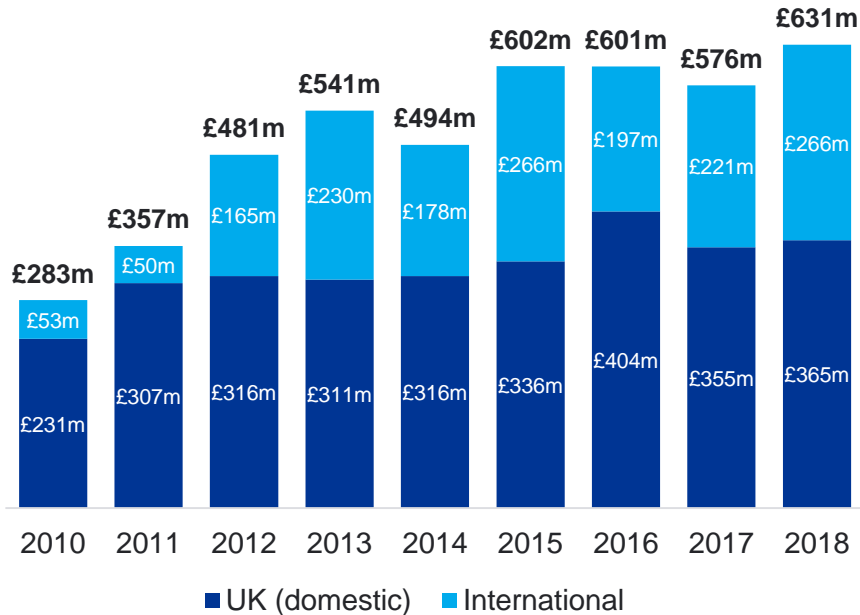
# MOVING FROM UK FOCUS TO A GLOBAL BUS BUSINESS



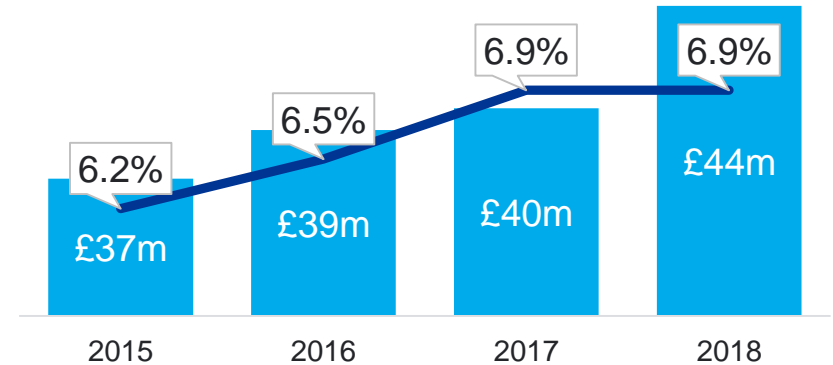


# DELIVERED STRONG GROWTH BY RETAINING EXISTING CUSTOMERS, TAKING MARKET SHARE AND ACCESSING NEW MARKETS

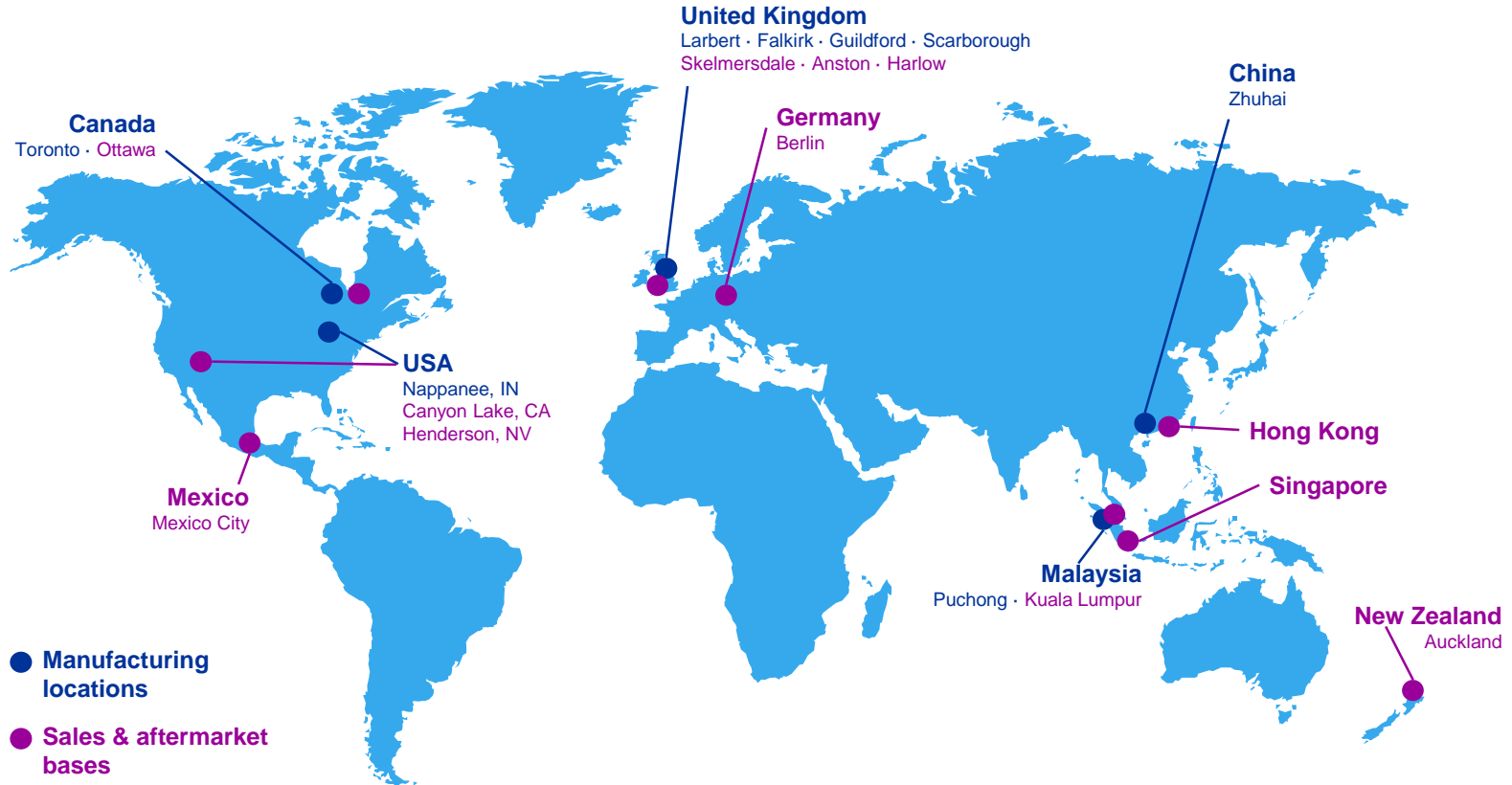
## Sales Evolution



## EBITDA Evolution



# DIVERSIFYING OUR BUSINESS SELECTIVELY TO DELIVER MORE ROBUST FINANCIAL PERFORMANCE



# DIVERSIFYING OUR BUSINESS SELECTIVELY TO DELIVER MORE ROBUST FINANCIAL PERFORMANCE

## APAC



## EMEA



## NA





# CHALLENGING MACRO LANDSCAPE – PLAYING THE HAND WE HAVE BEEN DEALT

Geopolitical



Brexit



Trade Tensions



FX

Regulatory



Clean Air/ Emissions



Diesel



Safety

Technological



EV



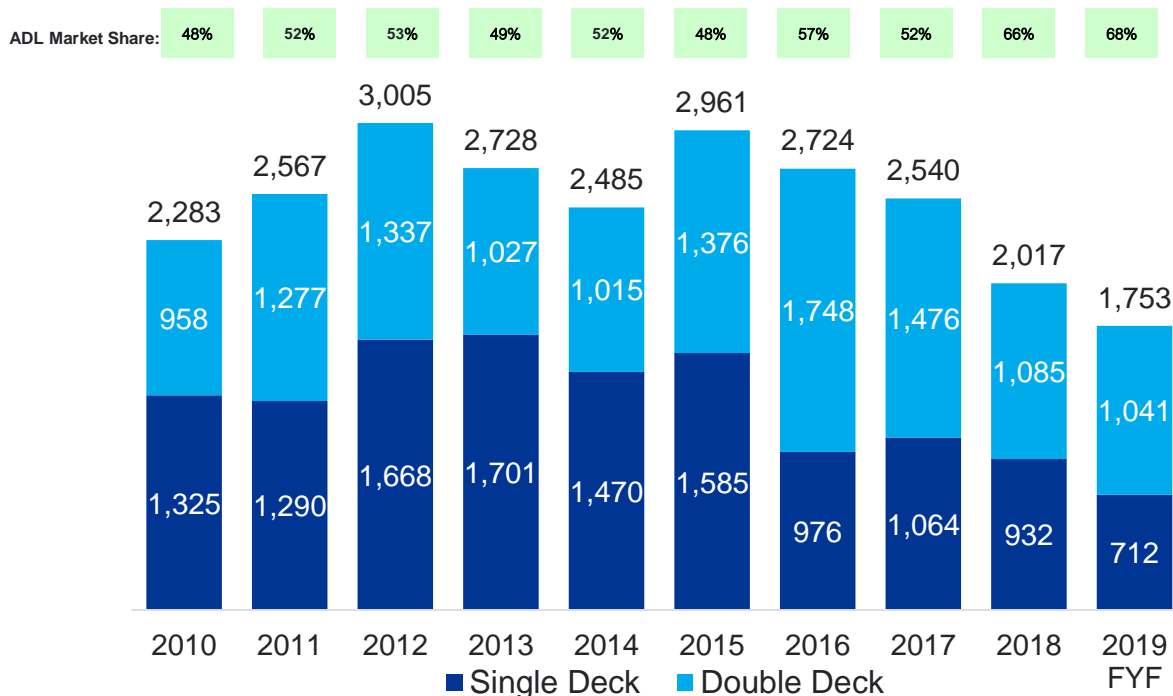
Hydrogen



Autonomy

# WE ARE THE CLEAR MARKET LEADER IN THE UK WITH STRONG RELATIONSHIPS WITH ALL MAJOR BUYERS

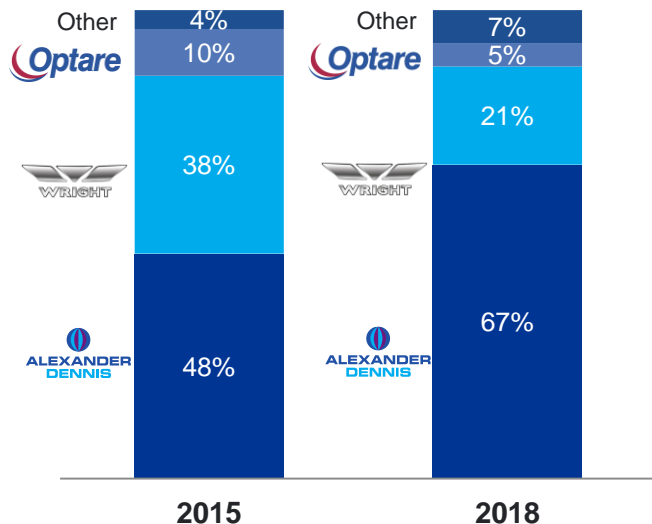
### UK Bus Market - Volumes



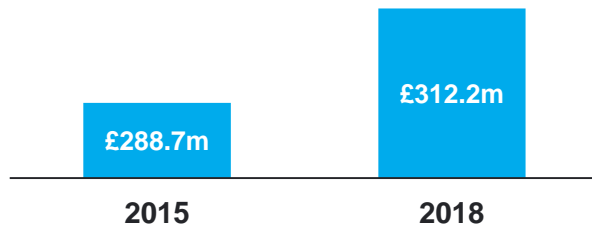
- The UK bus market has contracted year-on-year since 2015, driven by:
  - Reduction in government funding for bus services as part of a broader UK austerity programme
  - Uncertainty amongst private and public operators as they transfer to new technology
  - Distracted PLC operators delaying capex
- We have responded to this challenge by taking market share

# WE REMAIN OPTIMISTIC IN THE UK, WITH A NUMBER OF FACTORS EXPECTED TO SUPPORT MARKET RECOVERY

## ADL Market Share



## Revenue Growth



- Despite a challenging backdrop, the business has remained resilient, taking market share and growing our top line. We are better placed than ever to capitalise on market recovery
  - We expect a period of pent-up demand driven predominantly by:
    - An ageing UK vehicle park (including London Routemaster)
    - Major UK operators beginning to spend again
    - Structural changes in the competitive landscape – Wrights administration
    - Heightened environmental agenda and government commitment to buses
- ...there is lots to be positive about, however timing of any upswing remains unpredictable

**Growing  
market  
share**

**Changing  
competitive  
landscape**

**Retain, grow  
share and  
evolve**





# CASE STUDY: BERLIN BVG – COMPETING SUCCESSFULLY AGAINST DOMESTIC MANUFACTURERS AND OPENING THE DOOR TO EUROPE



**Flagship  
contract**

**Growth  
driver**

**Gateway  
to Europe**

## PLAXTON IS A STRONG UK BRAND, WITH INNOVATIVE NICHE MOTOR COACH OFFERING

- UK's largest coach builder and an innovator since 1907
- Niche coach offering boasts unrivalled passenger comfort, reliability, configurability & accessibility
- Primarily UK-focussed with selected sales into Europe and New Zealand in recent years
- Consistent performance since acquisition in 2007
- Accelerated growth achievable through:
  - Further internationalisation with NFI support in US and Canada
  - Continued expansion of the product range – access to new market segments (e.g. PantherLE)



- Since 2016, ADL and BYD have worked in partnership to develop an EV solution for the UK market
- Partnership has proven highly successful with over 500 vehicles on order or delivered in the UK. Over 70% market share
  - E200EV single deck launched in 2017
  - E400EV pure electric double decks entered service in London in July 2019
- Expansion into NZ commencing in 2020
- In 2020, ADL/BYD plan to sell 300 ZEB vehicles



**Adopting the optimal solution on a market-by-market basis**

# ADL STRATEGIC PRIORITIES

Technology Leadership

Revenue Growth

Profit Enhancement

Cash Generation

Customer Satisfaction

Be the undisputed  
leader in the UK  
market

Double the size of  
our North  
American  
business

Grow our APAC  
business beyond  
Hong Kong

Innovate and  
deliver best in  
class products and  
service

Deliver a quarter  
of our sales EV  
by 2022

Deliver the  
Berlin contract





**BRIAN DEWSNUP**  
**PRESIDENT**  
**NFI PARTS**

# nfi.parts™

## NORTH AMERICA'S LARGEST PROVIDER OF SPARE PARTS.



Created by the combination of New Flyer (NABI and Orion) and MCI parts businesses. Added ARBOC in 2019

Over **400** team members at **17** locations

**700,000+** sq. ft. of production space

Supporting an in service fleet of over **64,000** vehicles

- \$400 million+ of revenue<sup>(1)</sup>
- Strong EBITDA margin profile
- Robust customer relationships
- Broader benefit to the NFI Group and supporting additional Vehicle sales



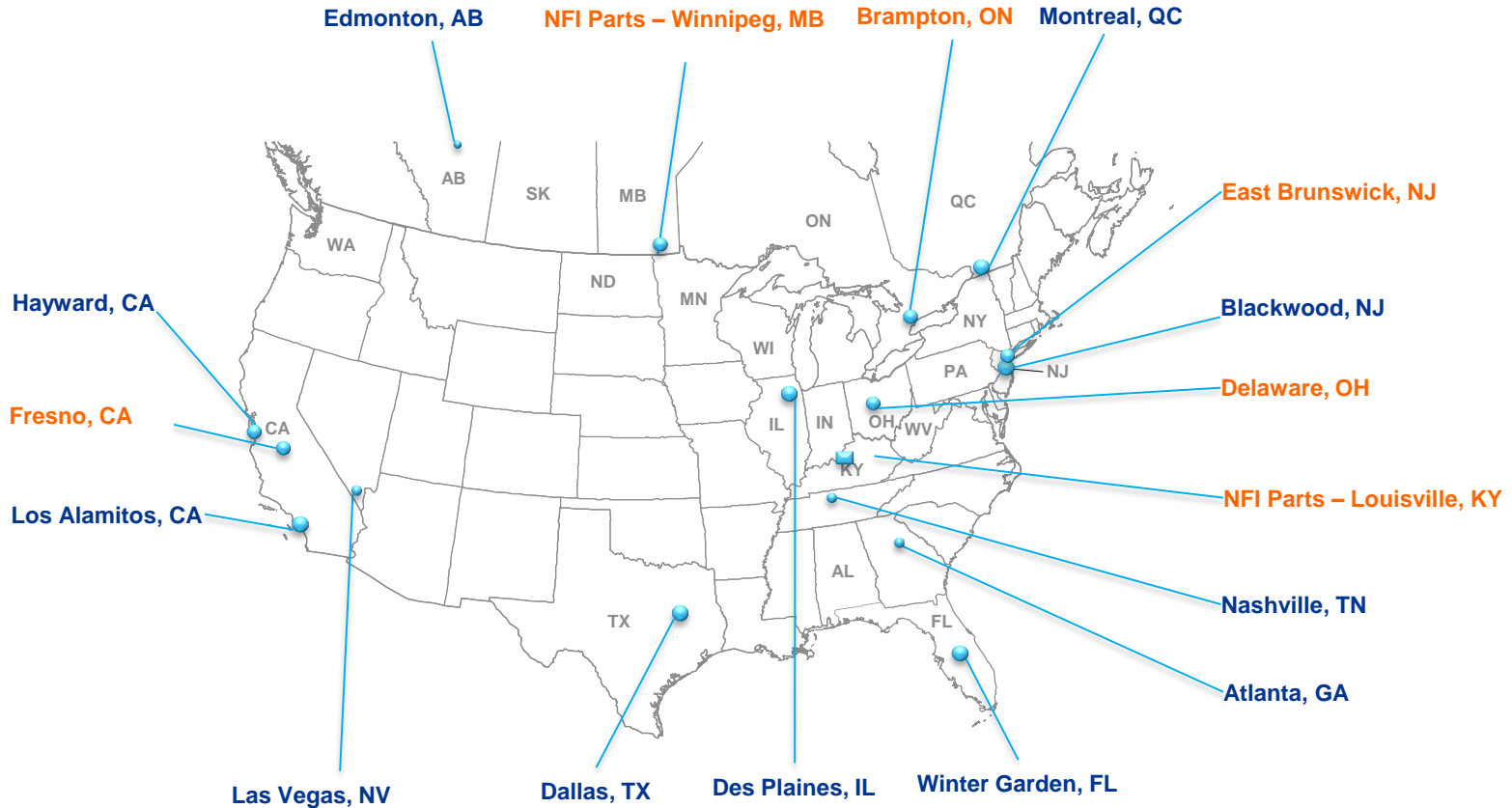
### Growth opportunities

- Expanding product offering and filling market gaps
- More value added relationships (Kitting/VMI)
- Expansion into cutaway market with ARBOC
- Leverage global supply chain
- Exploit digital routes to market and telematics
- Realize benefits from IT investments

(1) Includes NFI Parts and ADL's North American business on a Q3 2019 LTM pro-forma basis



# NORTH AMERICA'S MOST COMPREHENSIVE PARTS NETWORK



## OEM Parts



## OE Approved/Value Parts



Expansion of value offerings to address more customers

**Public**  
**470** customers  
**95,000** Annual Orders  
**~42,500** Vehicles  
**75%** pallet shipments

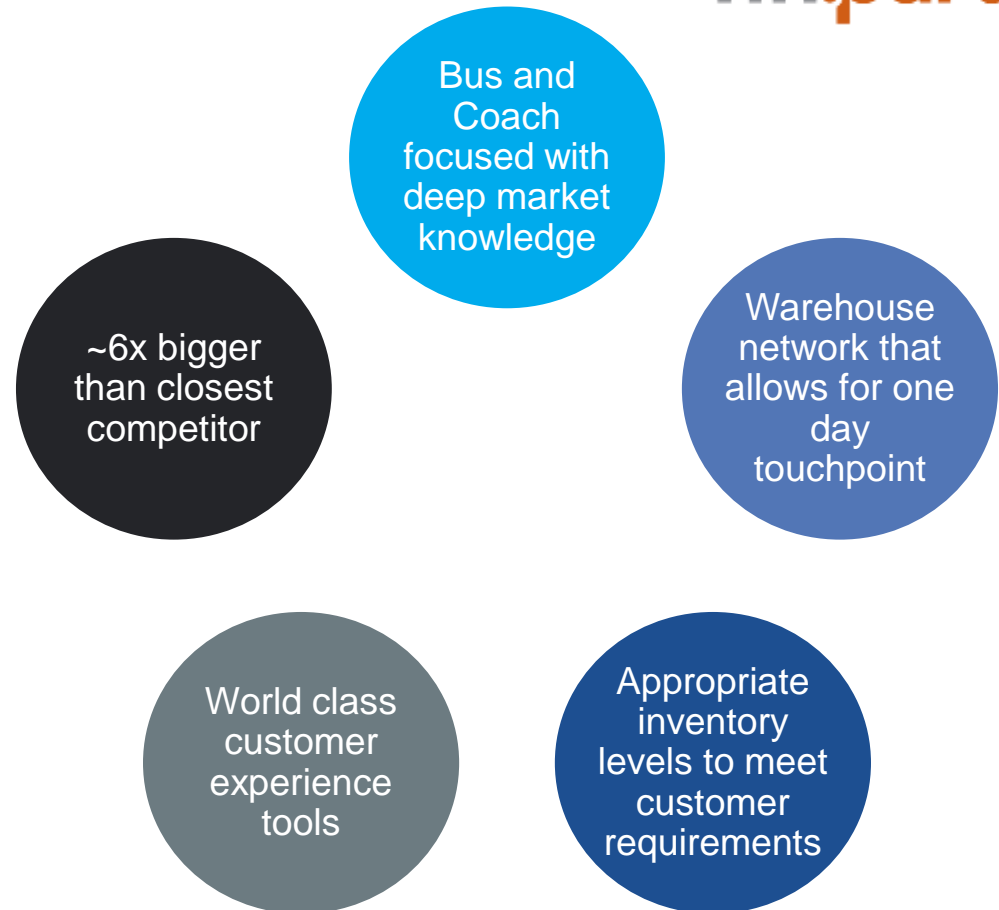
**Private**  
**3,000** customers  
**110,000** Annual orders  
**~22,500** Vehicles  
**75%** parcel shipments







# WHAT DIFFERENTIATES NFI PARTS?





# NFI PARTS STRATEGIC PRIORITIES

Ease of doing  
business - Kits, VMI  
solutions, webtools

Operational Partner –  
High fill rates, low  
lead times, low cost  
alternatives

Support OEM vehicle  
sales & market share  
growth

Enter new markets –  
Cutaway, value parts,  
'all-makes' cross  
referencing, ADL  
opportunity

Technology Leadership

Revenue Growth

Profit Enhancement

Cash Generation

Customer Satisfaction



**DAVID WHITE**  
**EVP SUPPLY**  
**NFI GROUP INC.**

# STRATEGIC SOURCING – NFI GROUP STRATEGY



**ARBOC** nfi.parts™



*Product Optimization*

*Each business has focused Strategic Sourcing and CI Engineering teams*

# STRATEGIC SOURCING – NFI GROUP STRATEGY



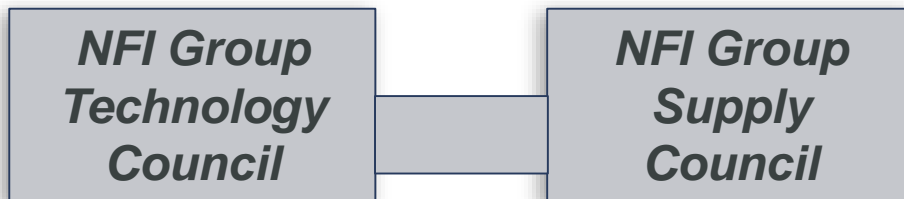
**ARBOC** nfi.parts™



## Product Optimization

*Each business has focused Strategic Sourcing and CI Engineering teams*

- *Product design and innovation sharing,*
- *Group technology decisions*



- *Share initiatives*
- *Optimize performance*
- *Manage risk*
- *Leverage spend*

## GROUP OPTIMIZATION

# SUPPLY CHAIN AS A COMPETITIVE ADVANTAGE

## Maximizing Value to Customers

- Customization & Innovation
- Price / total cost of ownership
- Quality / reliability
- Service / warranty
- Support of vehicle over its life

## Supplier Performance Program

- Delivery Performance
- Quality Performance
- Cost Performance
- Engineering Support
- Field Service/Aftermarket Support

## Annual Supplier Assessment Program



# SOURCING GLOBALLY TODAY

WITH OVER US \$2.1BN IN GLOBAL PURCHASES<sup>(1)</sup>

**Canada 12%**

Composites, metal Fab, HVAC, PLC, hoses, flooring

**UK 16%**

Engines, Axles, Metal Fab, Destination signs windows

**USA 57%**

Engines, transmissions, axles, eng cooling, HVAC, Ebus Batteries, seating, elect systems windows, CNG tanks, metal fab

**EU 11%**

Transmissions, axles, artic joints, Edrive motors, steel, composites

**China 2%**

3<sup>rd</sup> party manufacturing  
Electrical, Metal fab, lights

**Mexico 1%**

Seating, wheels, wiring harnesses  
Marker Lights

**India 1%**

Wiring harnesses

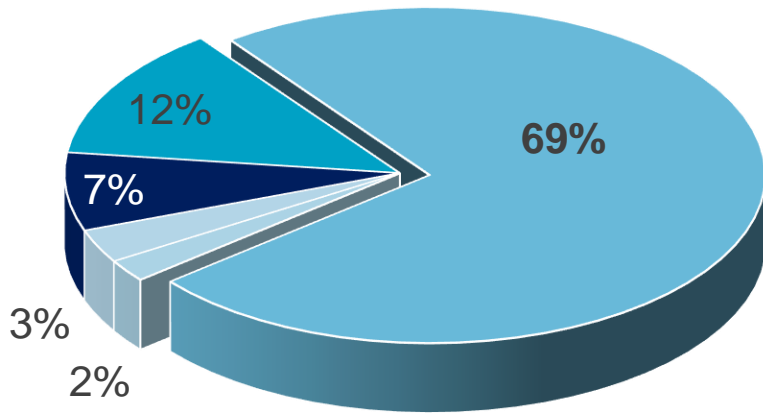
**Malaysia 1%**

3<sup>rd</sup> party manufacturing

1) Total global spend based on pro-forma combined business for the period October 1, 2018 to September 29, 2019 all ADL information related to the periods before the Acquisition Date (May 28, 2019) are based on audited financial statements of ADL provided to NFI, which were prepared on the basis of UK GAAP. NFI has not independently verified such statements. ADL's reported results above have been conformed to IFRS.

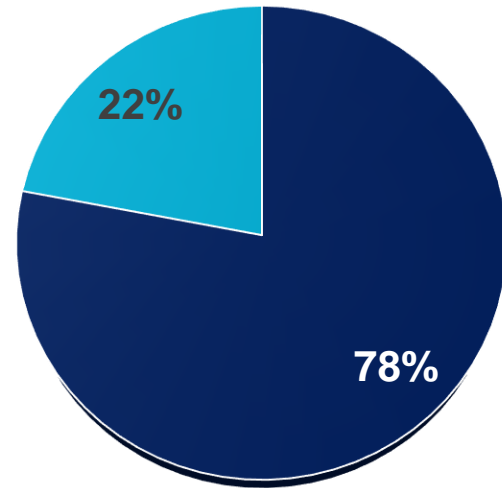
**NFI** **NORTH AMERICAN SUPPLY STRATEGY**  
INSOURCING TO ENHANCE MARGINS

**2018 North American Bus and Coach Cost Structure<sup>(1)</sup>**



- Labour
- Overheads
- Materials
- Other direct
- Warranty

**Insource vs External Supply**



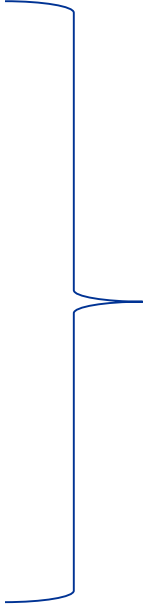
- External Supply
- Internal Supply

1) Does not include ADL's North American operations

# NORTH AMERICAN STRATEGY

FOCUS ON STRATEGIC INSOURCING TO ENHANCE AND DEFEND MARGINS

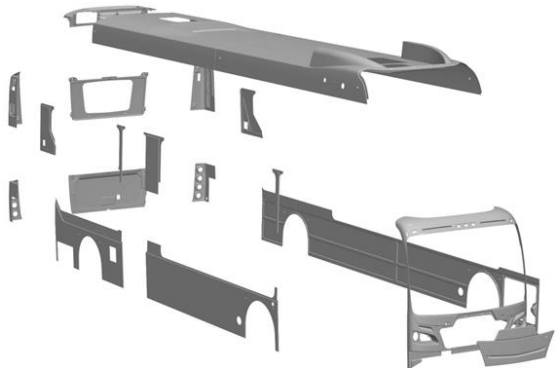
## Make Criteria

- Core competency
  - Scale/volume exists
  - Engineer/own the design
  - Risk Mitigation / supply performance
  - ROI
- 
- **At NFI Assembly Plants**
    - Metal Fabrication (Bus structure)
    - Component assemblies
  - **Carfair**
  - **KMG**



# CARFAIR

\$62 million of FRP fabrication for the NFI Group



## Why CARFAIR?

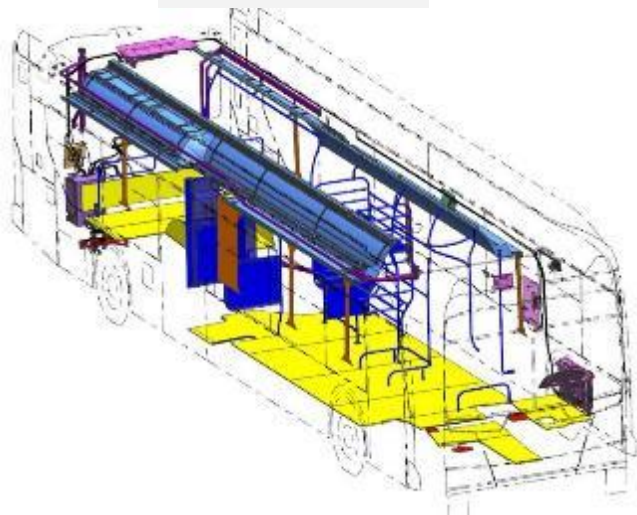
- Buy America requirements
- Control source and quality of supply
- Bring margins in-house
- Strong ROI



## Capabilities

- 6 plants, 700 staff
- Full service fibre-reinforced polymer capabilities

\$45 million of centralized internal supply for the NFI Group



### Why KMG?

- Buy America requirements
- Control source and quality of supply
- Bring margins in-house

### Capabilities

- 300,000 sq. ft. and 355 staff
- Flooring
- Interior Lighting
- Stanchions / Mod Panels
- Power cables
- Electrical panels/assemblies
- Metal fabrication
- Thermoforming

# SOURCING STRATEGIC PRIORITIES

Technology Leadership

Revenue Growth

Profit Enhancement

Cash Generation

Customer Satisfaction

Drive global  
procurement  
synergies

Ensure  
eBus Supply  
Optimization

Supplier performance  
and risk management

ROI on insourcing  
investments

The logo for NFI Group, featuring the letters 'NFI' in white on a blue square background, followed by the word 'GROUP' in white capital letters on a dark blue background.

**NFI** GROUP

NOVEMBER 15, 2019

# Investor Day 2019 Lunch and Outlook



**PAUL SOUBRY**  
**PRESIDENT & CEO**  
**NFI GROUP INC.**

# NFI FOCUS FOR THE NEXT 180 DAYS

1. Finalize CFO succession and develop transition plan
2. Expect to deliver 2,020 vehicles in Q4-2019 or 36.8% of 2019.  
Execute on NF and MCI WIP reduction
3. Pay down debt and reduce Leverage
4. With KMG now stabilized, commence ramp-up back to management investment case
5. Advance ADL cooperation/integration priorities
6. Convert options and active bids to fill 2020 build slots

# NFI GROUP STRATEGIC PRIORITIES

Maintain market  
leadership in all key  
markets

Apply OpEx and  
LEAN practices  
across the business

Technology council  
connected across  
NFI focused on EV,  
autonomous  
connected vehicles

Drive Market  
leadership in EV

Provide mobility  
solutions, not just  
vehicles

Deliver on NFI group  
leverage and  
synergy potential to  
enhance  
competitiveness

Technology Leadership

Revenue Growth

Profit Enhancement

Cash Generation

Customer Satisfaction



## OUTLOOK 2020

- Management expects Revenue, Adj EBITDA and ROIC growth driven by addition of ADL, reduction of WIP, delivery of backlog and conversion of options
- Headwinds from U.S. and Canadian public transit agencies demo/trial of ZEBs on smaller vehicle awards. But this creates longer-term tailwind for NFI to firmly establish itself as the leader in ZEBs
- Current market dynamics adds pressure to margins
- Tailwinds from market share penetration, Wright Bus transition, entry into new markets and stabilization of KMG all support management's positive outlook for 2020 and beyond
- Update planned for January with 2020 guidance

# STRIVING FOR:

- A BETTER PRODUCT
- A BETTER WORKPLACE
- A BETTER WORLD



The logo for NFI Group, featuring the letters 'NFI' in white on a blue square background, followed by the word 'GROUP' in white capital letters to its right.

**NFI** GROUP

NOVEMBER 15, 2019

# Investor Day 2019 Q&A



**THE HONOURABLE  
BRIAN TOBIN, P.C., O.C.  
BOARD CHAIR  
NFI GROUP INC.**

The image features a background of a modern cityscape at night, with illuminated skyscrapers and light trails from traffic. In the top left corner, the NFI Group logo is displayed, consisting of the letters 'NFI' in white on a blue square, followed by the word 'GROUP' in white capital letters.

**NFI** GROUP

NOVEMBER 15, 2019  
TORONTO, ONTARIO

# Investor Day 2019