



Leading the **ZE**volution™

# **NFI Group Inc. First Quarter 2024 Results**

May 2, 2024

# Cautionary Statement

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.

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. See the Appendix to this presentation for more details about the forward-looking statements.

In addition, certain financial measures used in this presentation, including but not limited to, backlog, Liquidity, Adjusted EBITDA, Adjusted Net Earnings (Loss) and Free Cash Flow are not recognized earnings measures and do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”). Therefore, they may not be comparable to similar measures presented by other issuers. See the Appendix to this presentation and the Company’s related Management Discussion & Analysis (“MD&A”), available on SEDAR ([www.sedarplus.ca](http://www.sedarplus.ca)) for more information and detailed reconciliation to the applicable IFRS measures.

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





# Key Terms

- ✓ Buses manufactured by New Flyer and Alexander Dennis' single and double deck buses are classified as "**transit buses**". ARBOC manufactures body on-chassis or "**cutaway**" and "**medium-duty**" buses that service transit, paratransit, and shuttle applications. Collectively, transit buses, medium-duty buses and cutaways, are referred to as "**buses**".
- ✓ A "**motor coach**" or "**coach**" is a 35-foot to 45-foot over-the-highway bus typically used for intercity transportation and travel over longer distances than heavy-duty transit buses and is typically characterized by (i) high deck floor, (ii) baggage compartment under the floor, (iii) high-backed seats with a coach-style interior (often including a lavatory), and (iv) no accommodation for standing passengers.
- ✓ **Zero-emission buses ("ZEBs")** consist of trolley-electric, hydrogen fuel cell-electric, and battery-electric buses and coaches.
- ✓ One **equivalent unit** (or "**EU**") represents one production "slot", being one 30-foot, 35-foot, 40-foot, 45-foot heavy-duty transit bus, one double deck bus, one medium-duty bus, one cutaway bus or one motor coach, whereas one articulated transit bus represents two equivalent units. An articulated transit bus is an extra-long transit bus (approximately 60-feet in length), composed of two passenger compartments connected by a joint mechanism. The joint mechanism allows the vehicle to bend when the bus turns a corner yet have a continuous interior.
- ✓ Many public customer contracts include options to purchase transit buses and motor coaches in the future, and a large portion of the Company's order book is represented by "**options**" as opposed to "**firm orders**."





# NFI Group is a global independent bus and motor coach solution provider that is leading the evolution to zero-emission mobility.

*We are purpose driven and exist to build vehicles that move the world's most precious cargo.*

***We Move People***



Leading the **ZE**volution™

NFI is the market and technology leader in major markets with over 100,000 vehicles in service throughout 12 countries



# NFI's Mobility Solutions



# Our Values and Our Stakeholders Drive Our Decisions



## Safety

The health and wellbeing of our team members and the safety of our products are our top priorities.



## Quality

We strive for excellence in our products, services, and all that we do.



## Integrity

We act with honesty, transparency, and integrity, treating each other with respect in a diverse, equitable, and inclusive workplace.



## Accountability

We take responsibility for our actions, seeking to build trust and earn a reputation for excellence and reliability.



## Teamwork

We work with our team members, our supplier partners, and our customers to pursue mutual benefits.



## Sustainability

We seek long-term success for our business, our communities, and the environment through responsible sourcing, lean manufacturing, and sustainable operations.



# Leader in Zero-Emission Transportation

**180M+**

Electric service miles driven

**3,804**

ZEB EUs delivered since 2015

**\$11.7B**

Value of total backlog<sup>1</sup> (14,783 EUs)

**52%**

of North American Public Bid Universe is ZEBs

**18%**

of 2024 Q1 deliveries were ZEB EUs (201 EUs)

**39%**

of total backlog<sup>1</sup> is ZEB EUs (5,795 EUs)

**150+**

Cities have NFI ZEBs in service or on order

**6**

Countries have NFI ZEBs in service or on order

**475+**

EV chargers delivered via Infrastructure Solutions™ since 2018 (75+ megawatts of charging capacity)



1. Represents a non-IFRS measure, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the Appendix of this presentation and the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca)





# First Quarter 2024 Results



Leading the **ZE**volution™



# 2024 Q1 Financial Summary



## Significant Demand Growth

**26,760**

EUs in North American Total Bid Universe

**117%**

Book-to-Bill<sup>2</sup> for LTM 2024 Q1

**+189%**

Increase in new orders (2024 Q1 vs. 2023 Q1)

**+55%**

Increase in new orders (LTM 2024 Q1 vs. LTM 2023 Q1)

**49%**

Option conversion rate for 2024 Q1



## Financial Performance

**+38%**

YoY increase in overall quarterly revenue

**10%**

Gross margin, up from 7% in 2023 Q1

**+360%**

YoY increase in NFI's Adjusted EBITDA<sup>1</sup>

**(\$9.4M)**

Net Loss, improved by 80% YoY

**1.8%**

ROIC, improvement of 5.2% YoY



## Strong Backlog

**\$11.7B**

Total value of backlog<sup>1</sup>

**+19%**

YoY increase in average selling price (ASP) (backlog<sup>1</sup>)

**365**

EUs in bid award pending at end of 2024 Q1

**3,940**

EUs of bids submitted in 2024 Q1

**38%/62%**

Split of Firm and Option orders in backlog

## Supply Chain + Labour



Improvements in supply chain health and performance; remains a risk area.

Labour markets remain somewhat challenging, primarily in the U.S.

Closely monitoring as production ramps up.

**\$166M**

Ending liquidity<sup>3</sup>

**57**

Working Capital days<sup>3</sup> (down from 69 days as of end of 2023 Q1)

**\$421M**

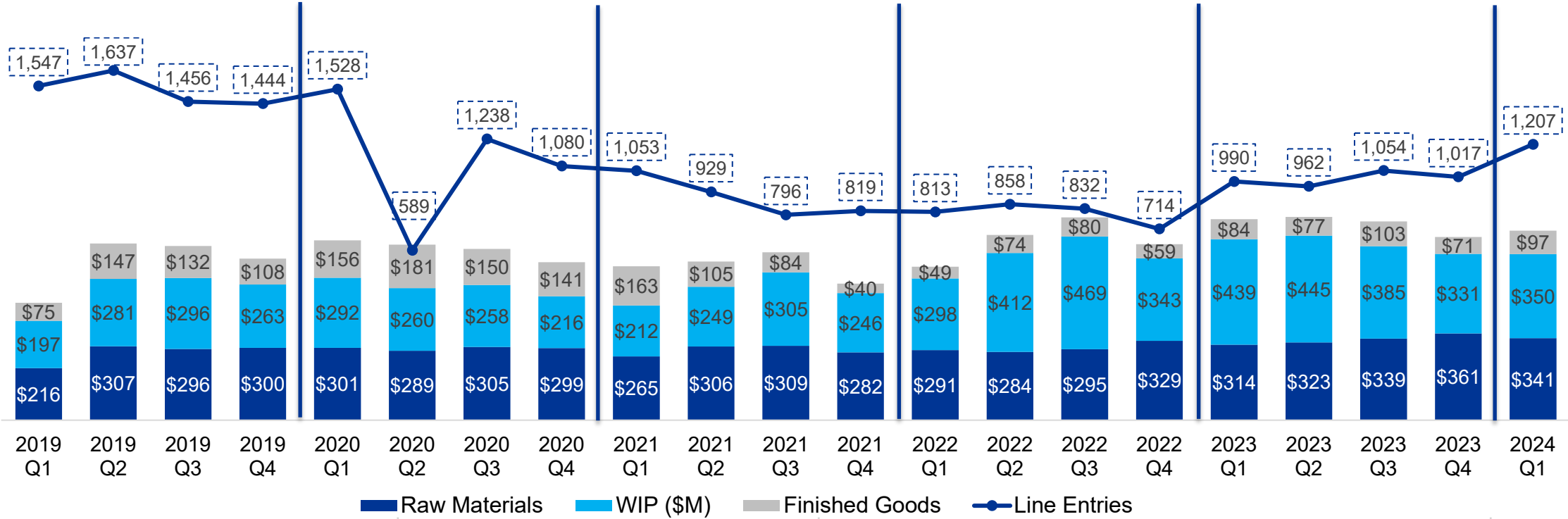
Net Working Capital remains elevated, reflecting delivery timing

1. Represents a non-IFRS measure, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the Appendix of this presentation and the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

2. Represents a non-IFRS ratio, which is derived from a non-IFRS measure and does not have a standard meaning, so they may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). 3. Represents a supplementary financial measure.

# Increasing Production Rates yet managing Working Capital

Total NFI Inventory US\$M (Raw Materials, WIP and Finished Goods \$M) vs Quarterly Vehicle Line Entries



Raw Materials WIP (\$M) Finished Goods Line Entries

Idled facilities in response to initial COVID-19 wave

Major supply disruption experienced in 2021 Q3

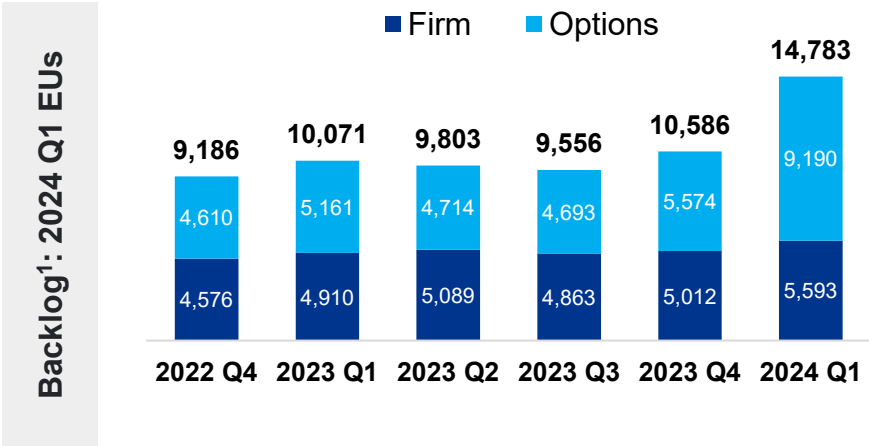
Improvements in 2022 Q2 offset by further erosion in supply consistency in 2022 Q4

Supply improvements supporting recovery of production and WIP increases

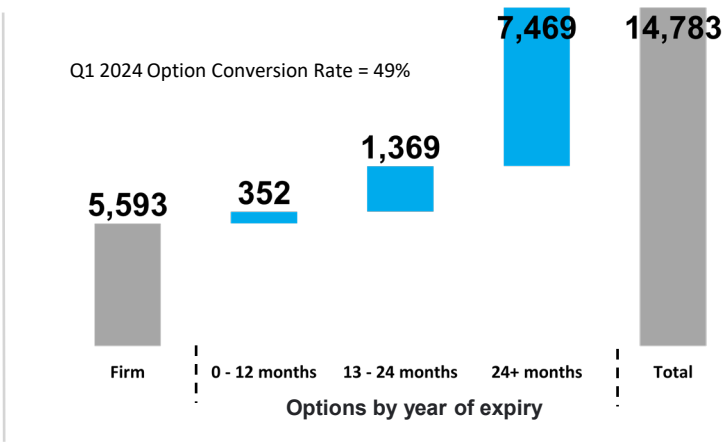


# 2024 Q1: Backlog and Deliveries

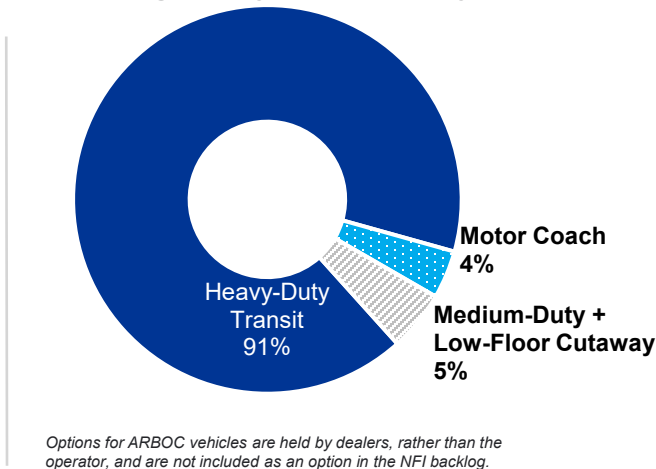
Backlog<sup>1</sup> – Firm and Option



Backlog<sup>1</sup> – Year Options Expiry

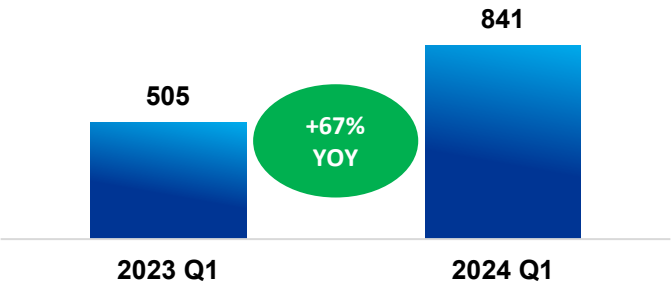


Backlog<sup>1</sup> – By Product Type

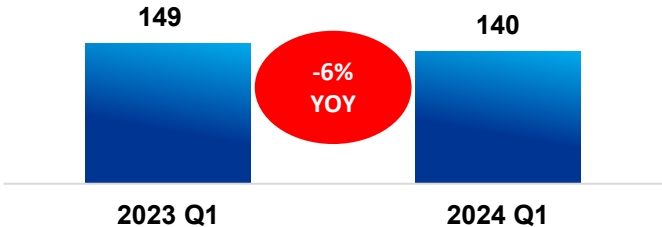


Deliveries: 2024 Q1 EUS

Heavy-Duty Transit Bus



Coach



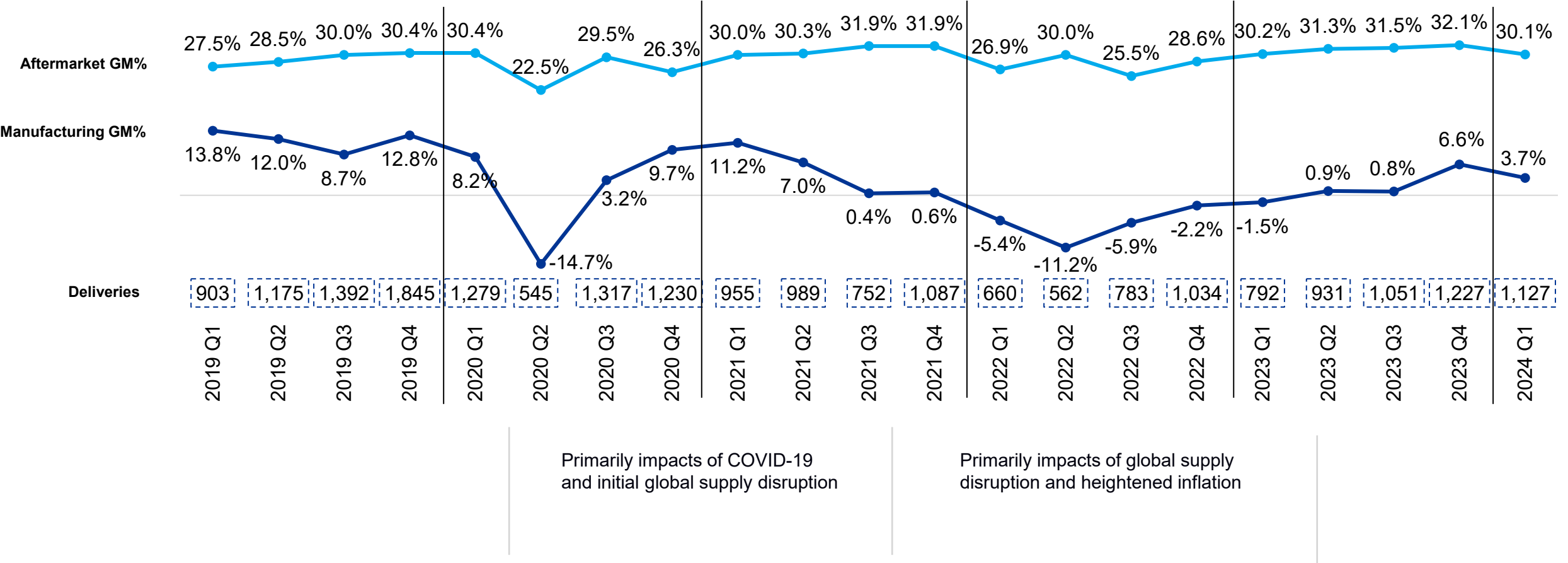
Low-Floor Cutaway + Medium-Duty



1. Represents a non-IFRS measure, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the Appendix of this presentation and the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca)

# Quarterly Gross Margins

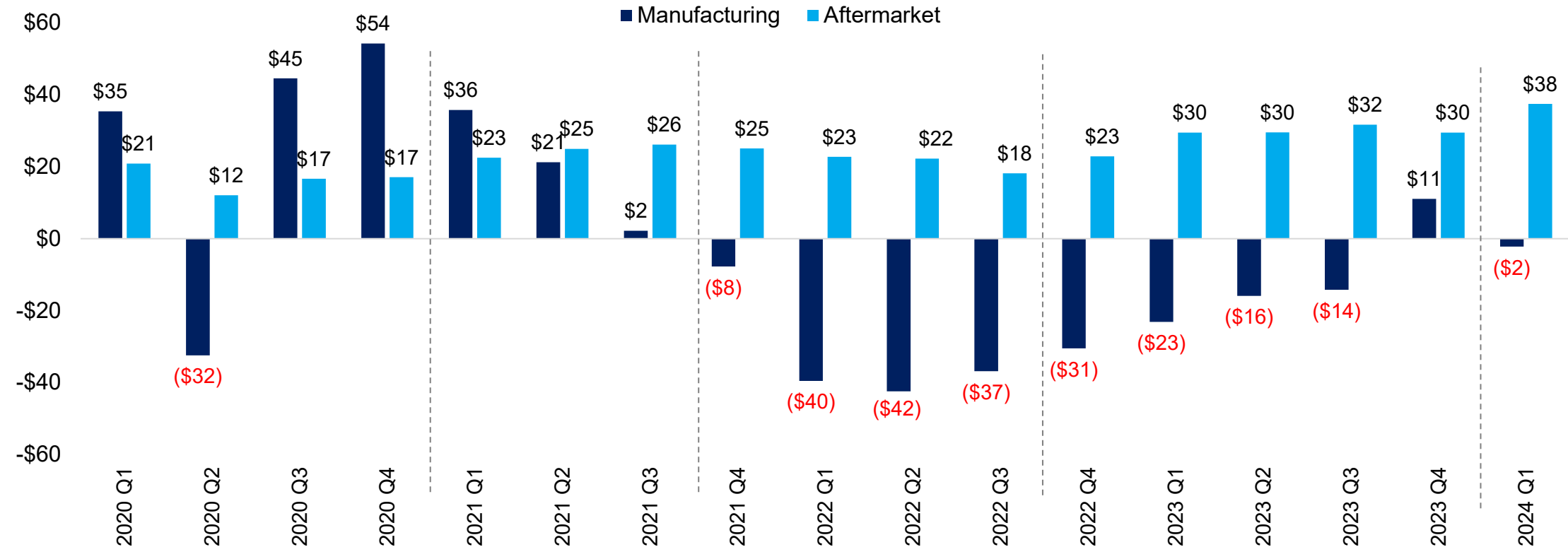
NFI Segment Quarterly Gross Margins (includes Depreciation and Amortization)





# Quarterly Adjusted EBITDA

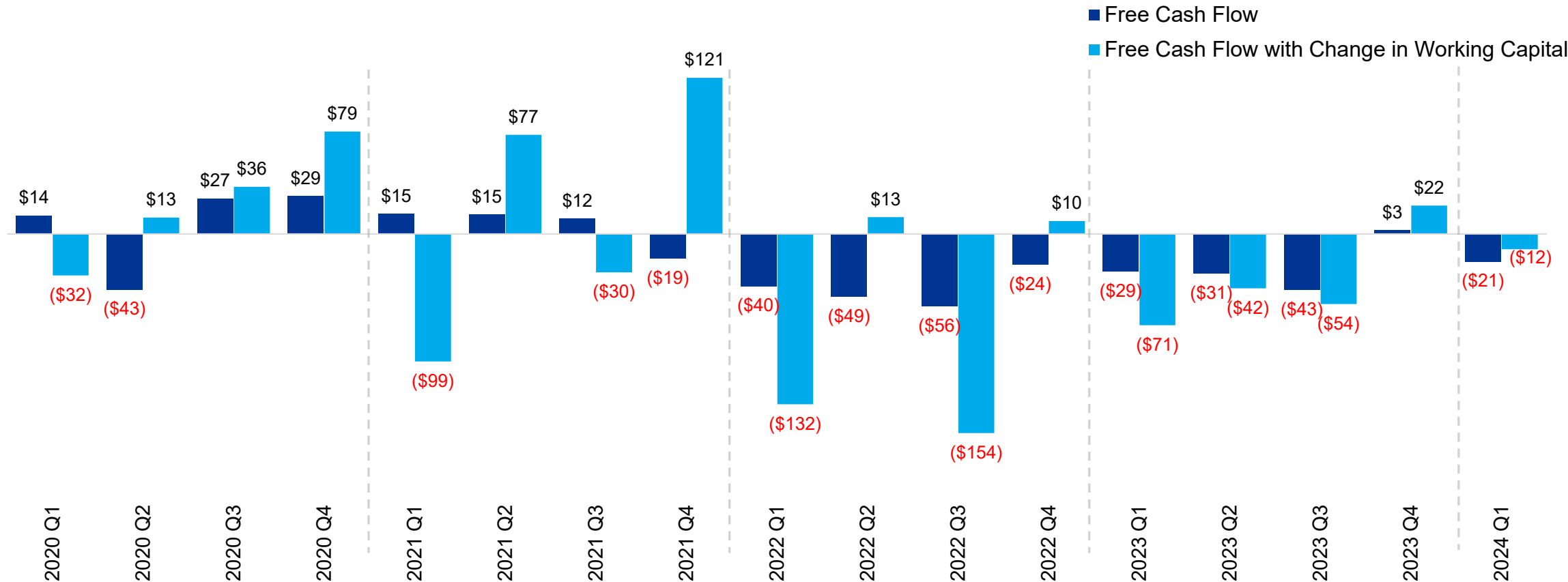
## NFI Segment Quarterly Adjusted EBITDA<sup>1</sup> \$M



Note: Corporate segment results are not included in the above. Corporate segment would need to be added to Manufacturing and Aftermarket to obtain NFI's Consolidated Adjusted EBITDA results.

# Quarterly Free Cash Flow: 2020 Q1 to 2024 Q1

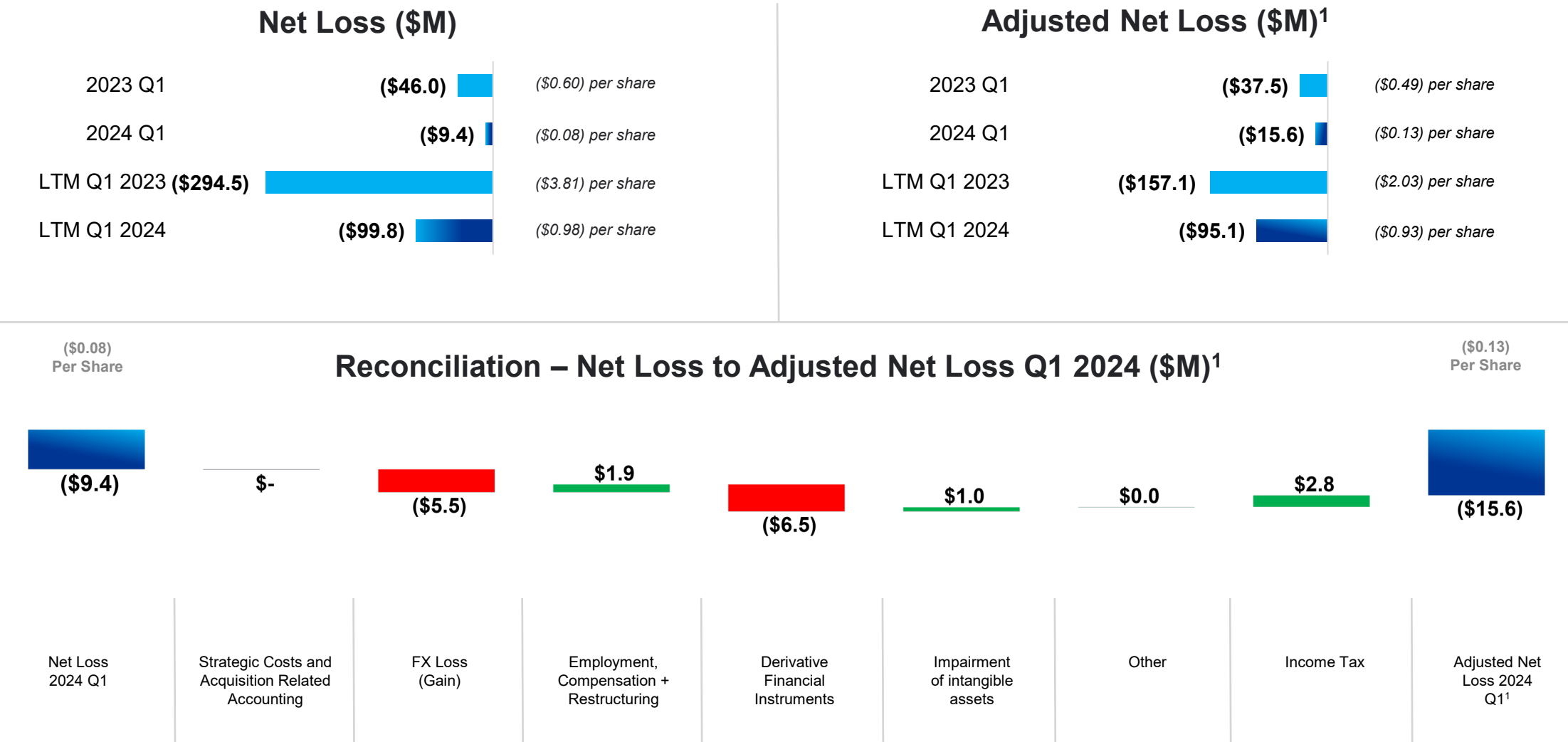
NFI Free Cash Flow and Free Cash Flow Plus the Change in Working Capital by Quarter  
(2020 Q1 – 2024 Q1) \$M



1. Free Cash Flow represents a non-IFRS measure, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. See Cautionary Statement. See Non-IFRS and Other Financial Measures section of the Appendix of this presentation and the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).



# Q1 2024 Net Loss and Adjusted Net Loss





An aerial photograph of a city intersection. In the center, a large, modern building with a complex, angular design and a mix of grey and green facades stands out. The surrounding area includes other high-rise buildings, some with glass facades and others with more traditional architectural styles. The streets are wide and paved, with visible lane markings and traffic. There are several cars, including a red double-decker bus, and some greenery interspersed among the buildings. The overall scene depicts a dense, urban environment.

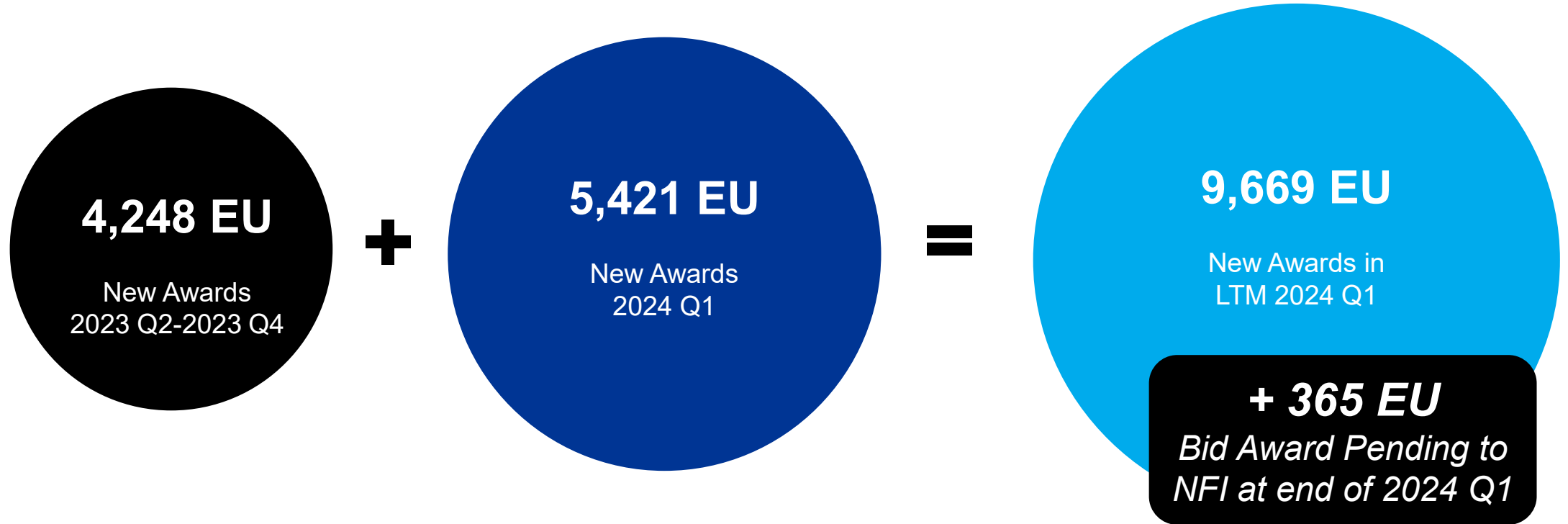
# Strong Demand Environment



Leading the **ZE**volution™



# Strong Award Activity in 2024 Q1

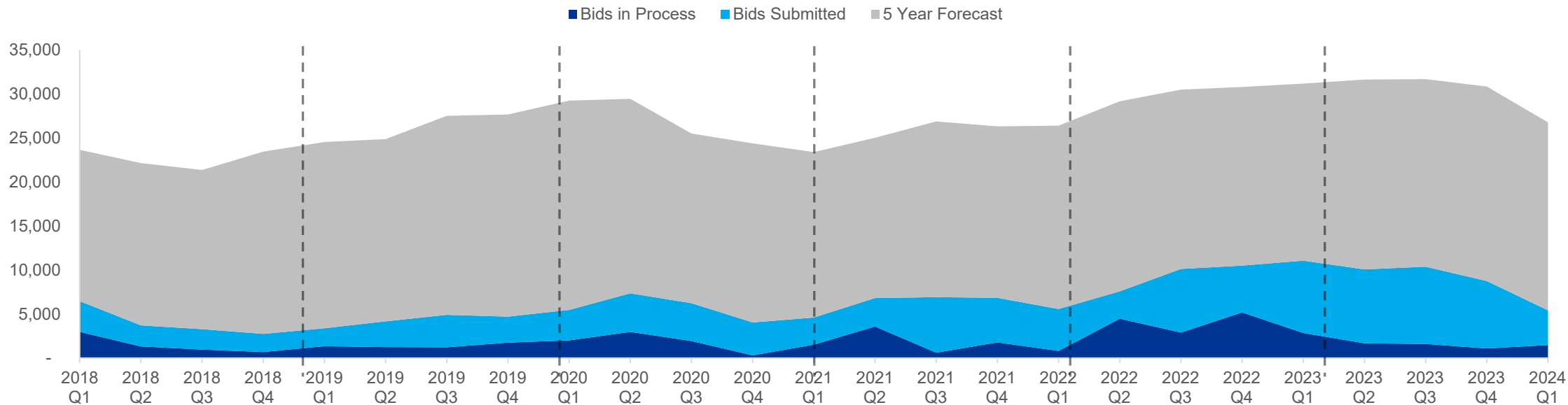




# Record Public Market Bid Universe

## Canada and U.S. Public Market Bid Universe

Avg. timeline from bid release to production = 12 to 18 months



**3,940 EUs**

Bids Submitted

**365 EUs**

Bid Award Pending

**1,470 EUs**

Bids in Process

**21,350 EUs**

Five-Year Procurement Outlook  
compiled from customer fleet  
replacements plans

### NFI Benefiting from Purchasing Schedules:

**40+**

Purchasing Schedules with NFI

**1,600+ EUs**

Awards from Purchasing Schedules

Since inception, **Infrastructure Solutions™** has been responsible for the delivery of **442** plug-in and **35** overhead charger projects, with **27** active projects under contract.



An aerial photograph of a busy city intersection. The image shows multiple lanes of traffic, including cars, buses, and trucks. There are green spaces with trees and modern buildings surrounding the intersection. A large white rectangular box is overlaid on the left side of the image, containing the text 'Poised for Recovery'.

# Poised for Recovery



Leading the **ZE**volution™



# 2024 Q1 Market Updates

## Government Funding Announcements

- ✓ **\$1.1B 2024 Low or No Emission (Low-No) Grant Program Announced** – NFI was named partner on over \$200M of Low-No grants in 2023
- ✓ **\$390M** Grants for Buses and Bus Facilities Program
- ✓ **£143M** for purchase of 955 zero-emission buses through the ZEBRA program

## Improving U.S. Bus Procurements

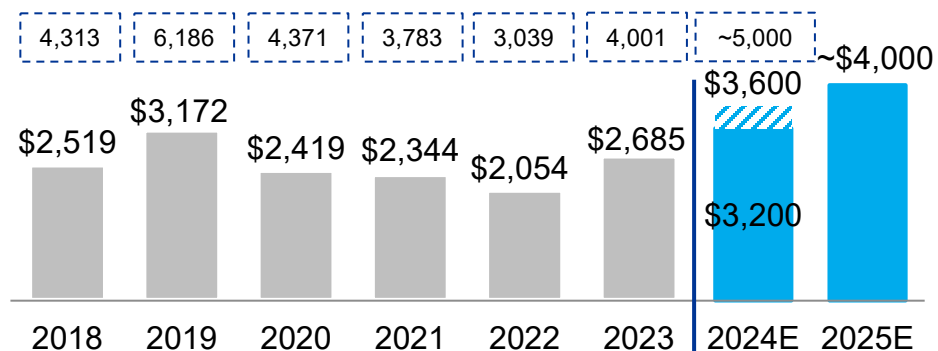
- ✓ **U.S. White House Roundtable on Clean Bus Manufacturing**
  - ✓ Focused on ensuring U.S. domestic manufacturing capacity to deliver clean transit buses is at the scale and pace needed to achieve goals
- ✓ **FTA Dear Colleague Letter**
  - ✓ Price adjustments to existing contracts, progress payments, inclusion of price indices for firm price contracts, reduction in customization

**Strong government funding in key markets continues to drive robust demand and backlog**

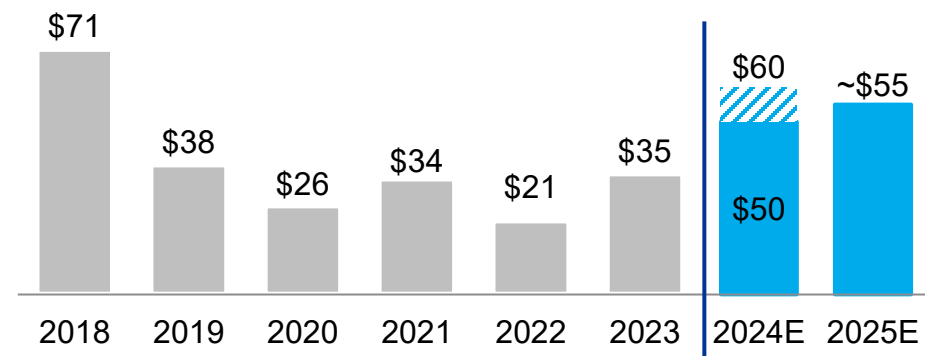


# Reiterate Forward Guidance and Targets

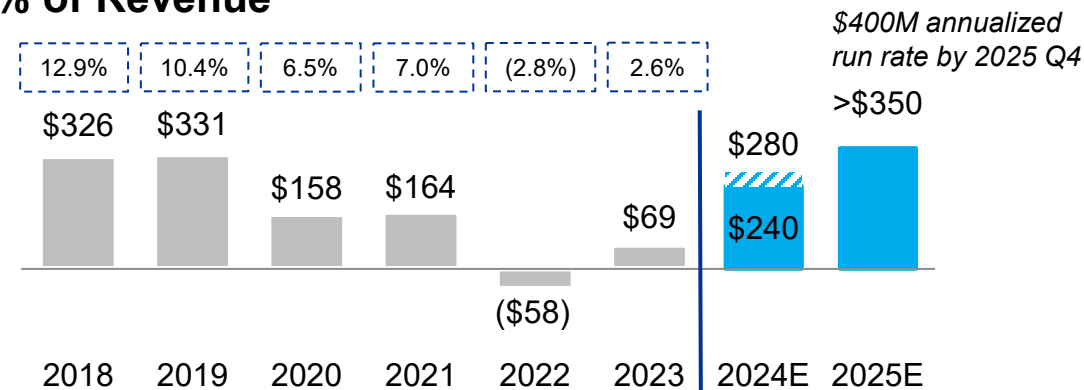
## Revenue (\$M) and Units Delivered (EUs)



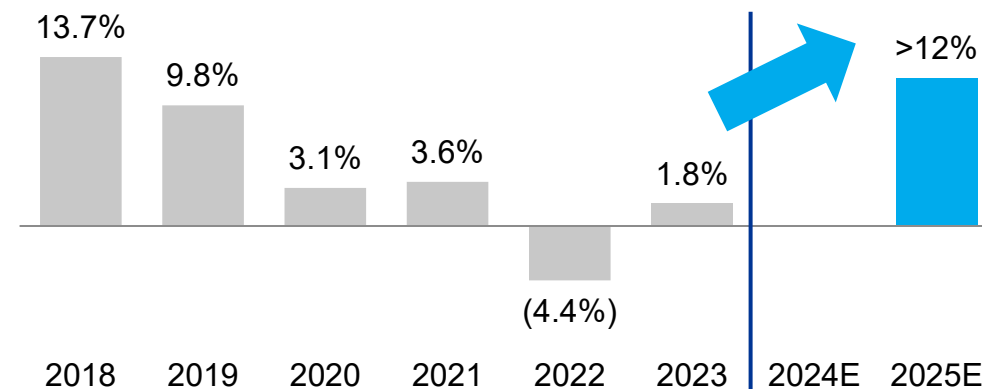
## Capex (\$M)



## Adjusted EBITDA<sup>1</sup> (\$M) and Adjusted EBITDA as % of Revenue



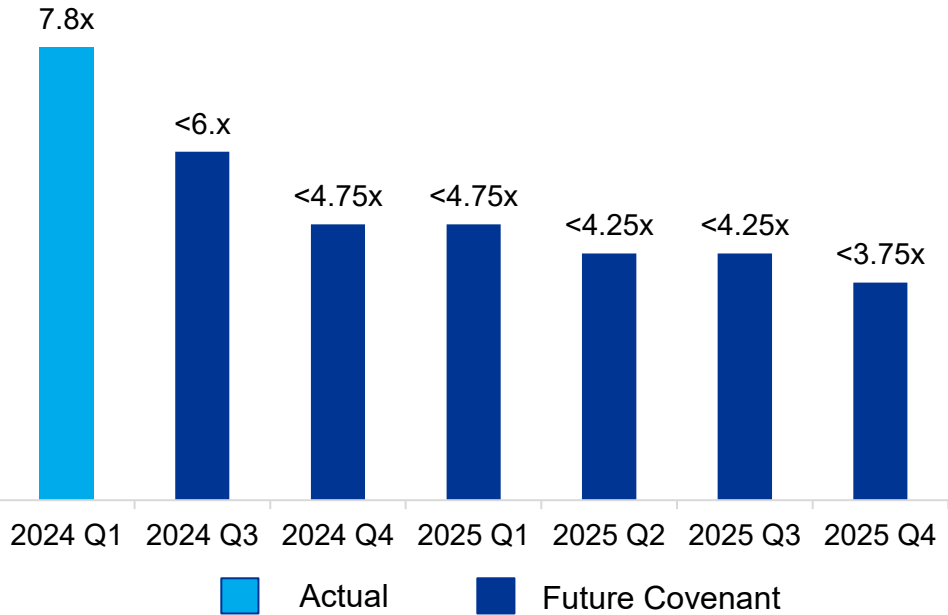
## Return on Invested Capital<sup>1</sup>



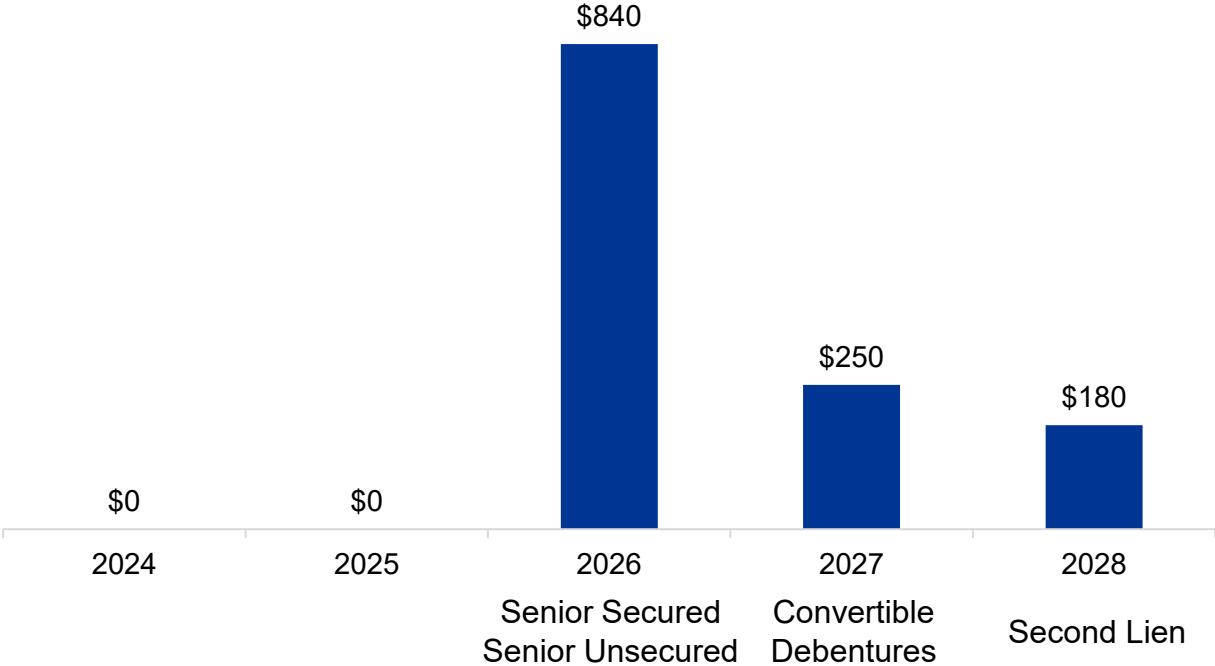
Reaffirmed guidance for 2024 and targets for 2025

# Leverage Expectations and Debt Maturities

Total Leverage 2024 Q1 Actual and 2024 Q3 – 2025 Q4 Covenants



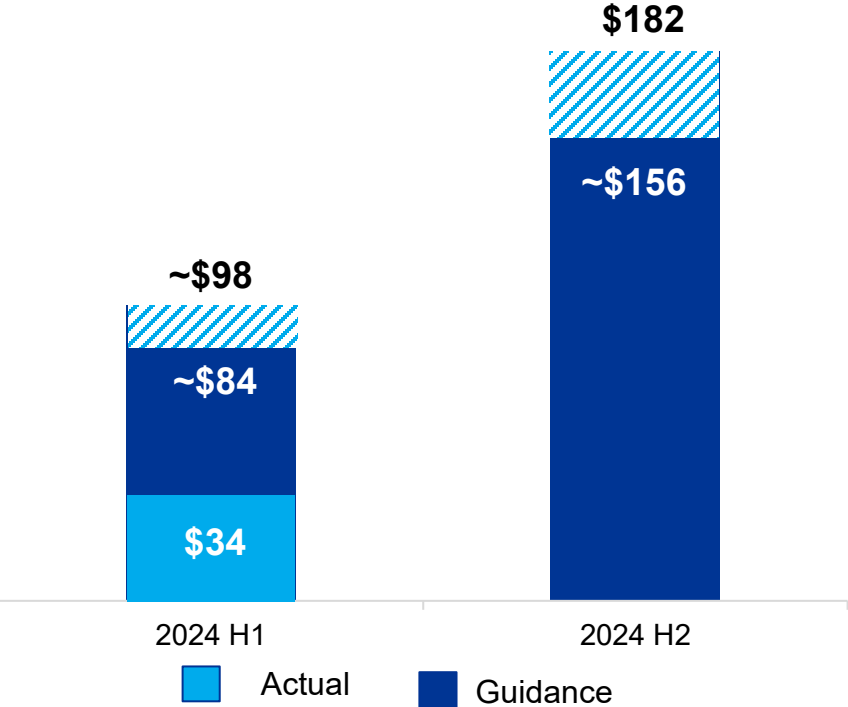
Debt Maturities 2025 – 2028 (\$M) – total capacity



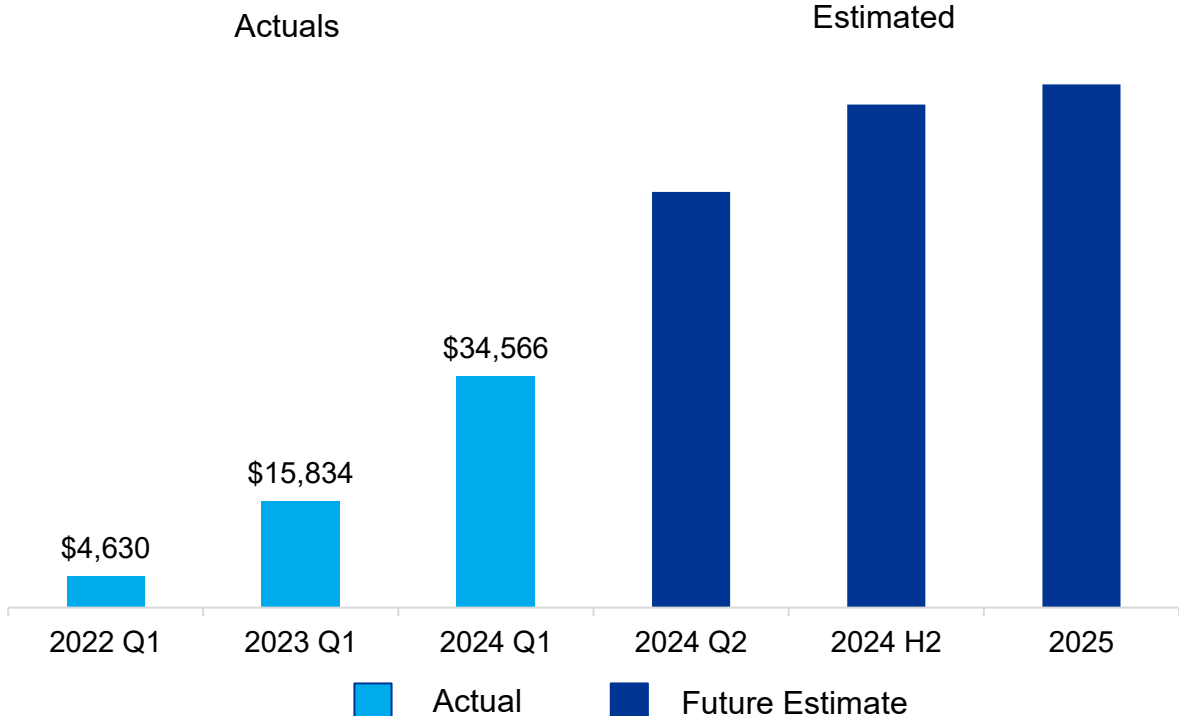
Significant deleveraging expected in 2024 and 2025

# Fiscal 2024 Seasonality and Margin Enhancement

Adjusted EBITDA Expectations Half Year 2024 (\$M)



Directional Gross Margin (excl. D&A) per EU Manufacturing \$



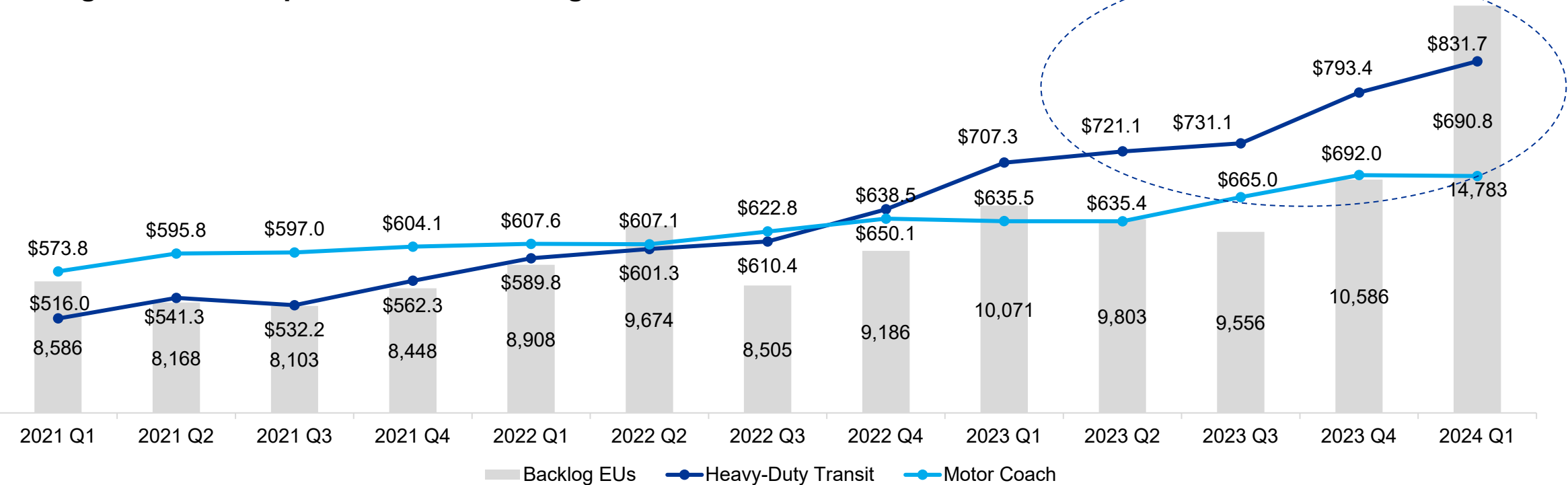
Legacy-impacted contracts create drag in H1 2024, that combined with regular seasonality, drives heavier Adj. EBITDA performance in H2 2024. Significant margin lift in H2 2024 and 2025 as move away from legacy priced contracts.



# Average Backlog Price Continues to Increase

Increasing transit and coach sale prices driven by increased number of ZEBs in backlog; expected to drive higher \$\$/EU contribution

Average Sales Price per EU of NFI Backlog

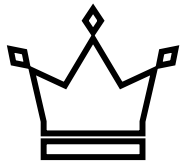


**ZEBs, on average, command a price premium to ICE vehicles and include a dollar margin uplift.  
ZEB backlog growth positions NFI on its path to achieve 2025 targets.**

# Summary: Why Invest in NFI

With 450 years of combined bus and coach experience across its portfolio companies, NFI has a proven track record of innovation, customized vehicle manufacturing expertise, a diversified product offering and strong aftermarket support and service.

As market leader in share, technology and reputation, NFI is well positioned to deliver compelling financial returns as it continues to Lead the **ZE**volution™ and provide a full suite of solutions to its customers.



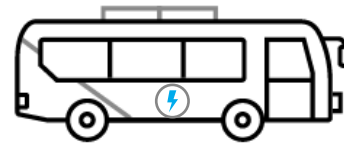
Leader in Core  
Markets With Focus  
on Bus & Coach  
Solutions



Best in Class  
Aftermarket  
Business



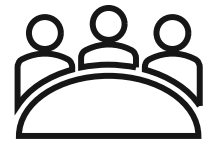
Strong End Market  
Demand Driving  
Robust Backlog



Leading Zero  
Emission Bus (ZEB)  
Innovation



Poised for  
Recovery



Experienced  
Management Team



An aerial photograph of a busy city intersection, featuring multiple lanes of traffic, cars, buses, and surrounding urban buildings. A large white rectangular box is overlaid on the left side of the image, containing the title and logo.

# Appendix



Leading the **ZE**volution™



# Non-IFRS Reconciliation: 2024 Q1

## Reconciliation of IFRS to non-IFRS As of March 31, 2024

| In '000                                       | First Quarter      |
|---|--------------------|
| <b>Net Sales</b>                              | <b>\$ 722,749</b>  |
| <b>Net Loss</b>                               | <b>\$ (9,414)</b>  |
| <i>% of net sales</i>                         | -1.3%              |
| <b>Adjustment, Gross</b>                      |                    |
| Restructuring and Other Corporate Initiatives | \$ 1,515           |
| Derivative related                            | \$ (6,461)         |
| Foreign exchange loss/gain                    | \$ (5,491)         |
| Equity settled stock-based compensation       | \$ 389             |
| Asset related                                 | \$ (97)            |
| Impairment loss on intangible assets          | \$ 1,028           |
| Other   | \$ 144             |
| Income taxes                                  | \$ 2,780           |
| <b>Net Loss - Adjusted</b>                    | <b>\$ (15,607)</b> |
| <i>% of sales</i>                             | -2.2%              |
| <b>Adjustments:</b>                           |                    |
| Income taxes                                  | \$ (8,809)         |
| Finance costs                                 | \$ 37,115          |
| Amortization                                  | \$ 21,237          |
| <b>Adjusted EBITDA<sup>1</sup></b>            | <b>\$ 33,936</b>   |
| <i>% of net sales</i>                         | 4.7%               |

1. Represents a non-IFRS measure, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca)

# Non-IFRS Reconciliation: 2023 Q1

Reconciliation of IFRS to non-IFRS  
As of April 2, 2023

| In '000                                       | First Quarter      |
|---|--------------------|
| <b>Net Sales</b>                              | <b>\$ 525,134</b>  |
| <b>Net Loss</b>                               | <b>\$ (45,964)</b> |
| <i>% of net sales</i>                         | -8.8%              |
| <b>Adjustment, Gross</b>                      |                    |
| Restructuring and Other Corporate Initiatives | \$ 1,838           |
| Derivative related                            | \$ 4,787           |
| Foreign exchange loss/gain                    | \$ (424)           |
| Equity settled stock-based compensation       | \$ 409             |
| Asset related                                 | \$ (17)            |
| Employment related (past service costs)       | \$ 4,764           |
| Other tax adjustment                          | \$ (246)           |
| Other   | \$ 1,248           |
| Income taxes                                  | \$ (3,909)         |
| <b>Net Loss - Adjusted</b>                    | <b>\$ (37,514)</b> |
| <i>% of sales</i>                             | -7.1%              |
| <b>Adjustments:</b>                           |                    |
| Income taxes                                  | \$ (3,407)         |
| Finance costs                                 | \$ 27,429          |
| Amortization                                  | \$ 20,901          |
| <b>Adjusted EBITDA<sup>1</sup></b>            | <b>\$ 7,409</b>    |
| <i>% of net sales</i>                         | 1.4%               |

1. Represents a non-IFRS measure, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca)

# Quarterly Backlog: 2019 Q1 to 2024 Q1

NFI Quarterly Backlog<sup>1</sup> in EUs (2019 Q1 – 2024 Q1)

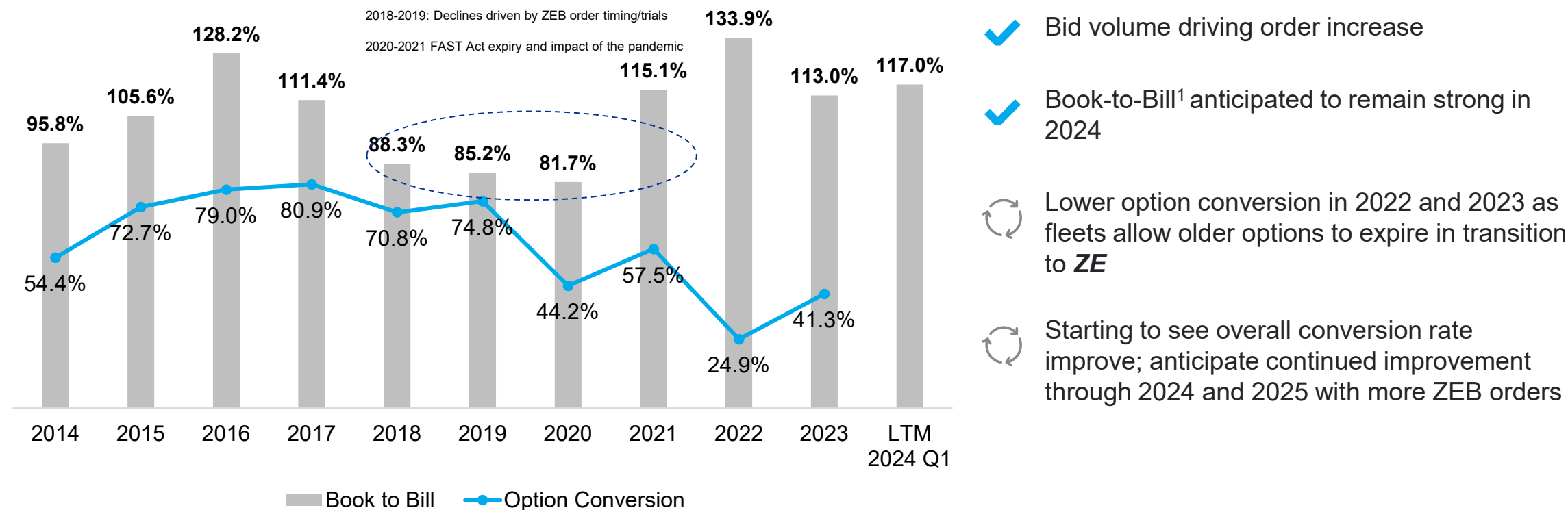


1. Represents a non-IFRS measure, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca)



# Book-to-Bill Recovery Continues Above 100%

Book-to-Bill<sup>1</sup> and Option Conversion<sup>1</sup> (2014 – 2023, + LTM 2024 Q1)

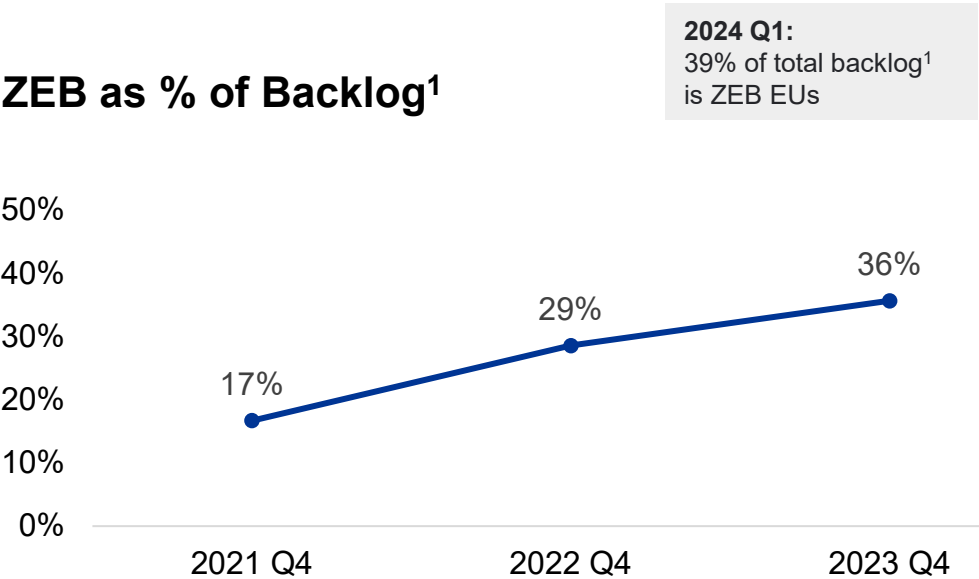
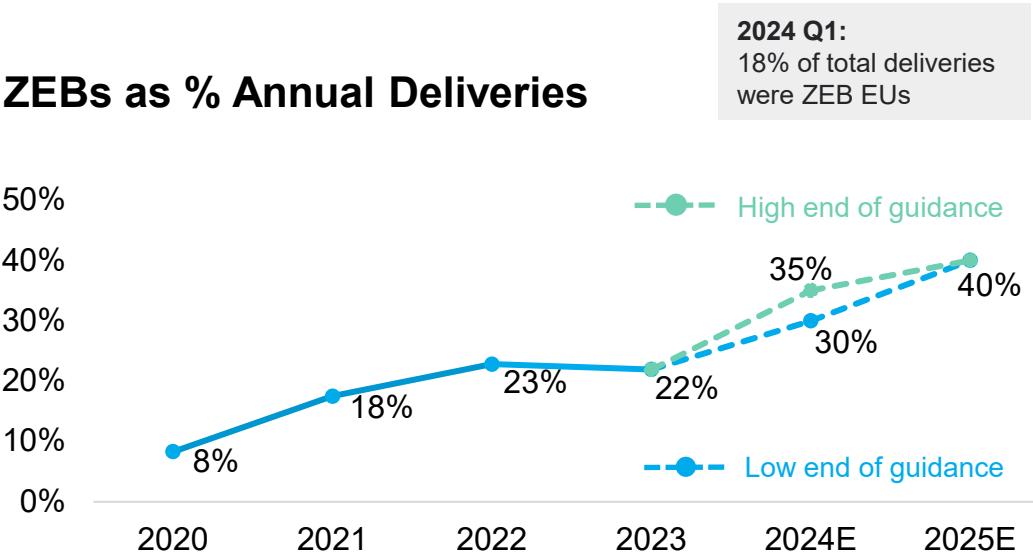


**Book-to-Bill recovery to 100%+ driven by increased bid and award activity. Anticipated to remain strong throughout 2024. Option conversion expected to recover with new multi-year orders.**

1. Represents a non-IFRS ratio, which is derived from a non-IFRS measure, which does not have a standard meaning, so they may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). 3. Represents a supplementary financial measure.

# Transition to *ZE* Accelerating

Increasing demand for electric vehicles (battery- and fuel cell-electric) in NFI’s core markets, driven by government funding and the drive to zero-emission

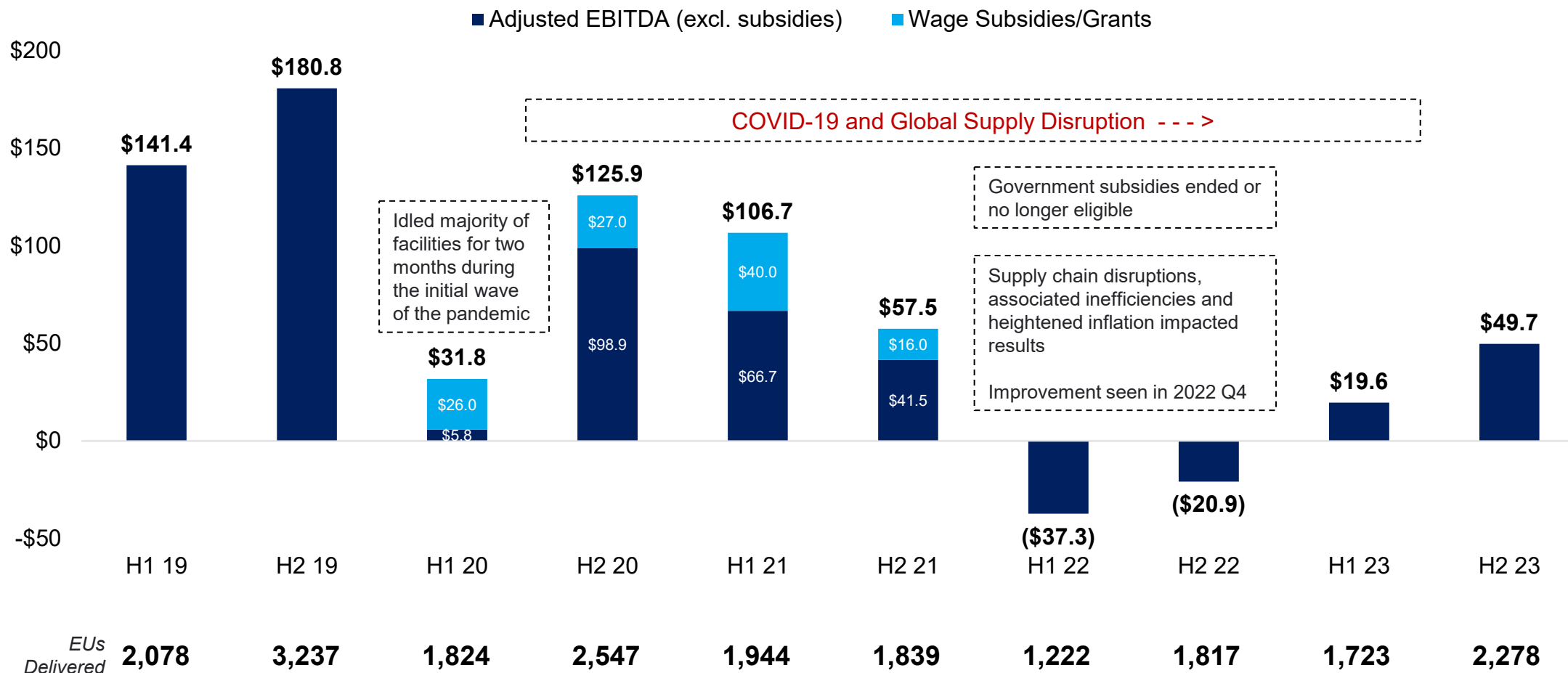


***ZE* transition accelerating, growing NFI’s ZEB backlog with higher dollar revenue and margin vehicles**

1. Represents a non-IFRS ratio, which is derived from a non-IFRS measure, which does not have a standard meaning, so they may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). 3. Represents a supplementary financial measure.

# Half Year Adjusted EBITDA: 2019 to 2023

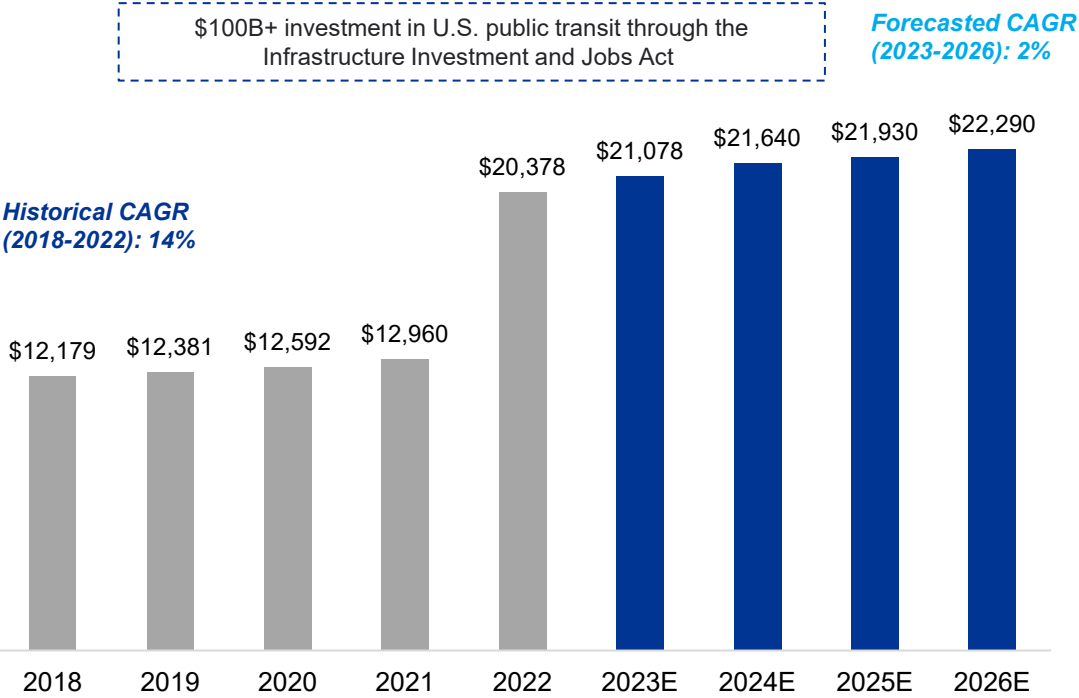
## NFI Adjusted EBITDA<sup>1</sup> Results by Half Year (2019 – 2023) \$M





# North American Market Updates

## U.S. Federal FTA Funding (\$M)<sup>1</sup>



## Dedicated Canadian Federal Government Transit Funding<sup>2</sup>

- ✓ **C\$17.6B** Green Recovery Funding
- ✓ **C\$14.9B** Transit Funding Program
- ✓ **C\$1.5B** Canadian Infrastructure Bank Zero Emission Bus Initiative
- ✓ **C\$2.75B** Infrastructure Canada Zero Emission Transit Fund (ZETF)

Programs underway in Regina, Ottawa, Brampton, Quebec, Winnipeg, Toronto and Calgary, British Columbia, York region, and Durham region

## Broad UK Programs to Support Fleet Replacements<sup>3</sup>

- ✓ National bus strategy launched in 2021 for the replacement of 4,000 buses with zero-emission vehicles by 2025
- ✓ Bus funding through a variety of programs including ZEBRA, ZEBRA2, ScotZEB, ScotZEB 2, Levelling Up Fund, City Region Sustainable Transport Settlements – potential funding of over £10 billion to 2025

**Strong government funding in key markets continues to drive robust demand and backlog**

# 2024 Q1: Income Statement, Cash Flow, Liquidity

## 2024 Q1 Performance

|                                    | 2024 Q1     | 2023 Q1     |
|------------------------------------|-------------|-------------|
| Sales                              | \$722.7M    | \$525.1M    |
|                                    | 4.7%<br>ROS | 1.4%<br>ROS |
| Adjusted EBITDA (\$M) <sup>1</sup> | \$33.9      | \$7.4       |
| EPS (reported)                     | (\$0.08)    | (\$0.60)    |
| EPS (Adjusted) <sup>1</sup>        | (\$0.13)    | (\$0.49)    |

| 2024 Q1       | Revenue  | Adjusted EBITDA <sup>1</sup> |
|---------------|----------|------------------------------|
| Manufacturing | \$562.9M | (\$2.2M)                     |
| Aftermarket   | \$159.8M | \$37.4M                      |
| Corporate     | —        | (\$1.3M)                     |

## 2024 Q1 Free Cash Flow<sup>1</sup> & Liquidity<sup>1</sup>

| Free Cash Flow <sup>1</sup> (\$M)       |                 |                 |
|---|-----------------|-----------------|
|   | 2024 Q1         | 2023 Q1         |
| Adjusted EBITDA <sup>1</sup>            | \$33.9          | \$7.4           |
| Interest Expense                        | (\$33.6)        | (\$25.9)        |
| Current Income Tax                      | (\$5.0)         | (\$0.9)         |
| Cash Capital Expenditures plus Lease    | (\$14.7)        | (\$8.1)         |
| Acquisition of Intangibles              | (\$2.8)         | (\$1.5)         |
| Proceeds from disposition of property   | \$0.7           | \$0.1           |
| <b>Free Cash Flow (USD)<sup>1</sup></b> | <b>(\$21.5)</b> | <b>(\$28.9)</b> |
| FX Rate                                 | 1.3541          | 1.3515          |
| <b>Free Cash Flow (CAD)<sup>1</sup></b> | <b>(\$29.1)</b> | <b>(\$39.0)</b> |
| Dividends (CAD)                         | -               | -               |
| Payout Ratio                            | - %             | - %             |

| Liquidity <sup>1</sup> & Working Capital |                |                |
|--|----------------|----------------|
|  | 2024 Q1        | 2023 Q1        |
| <b>Total Liquidity<sup>1</sup></b>       | <b>\$166.4</b> | <b>\$124.1</b> |
| <b>Working Capital \$</b>                | <b>\$421</b>   | <b>\$438</b>   |
| <b>Working Capital Days<sup>2</sup></b>  | <b>57 days</b> | <b>69 days</b> |

1. Represents a non-IFRS measure, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

2. Represents a non-IFRS ratio, which is derived from a non-IFRS measure, which does not have a standard meaning, so they may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). 3. Represents a supplementary financial measure.

# Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements”, which reflect the expectations of management regarding the Company’s future growth, financial performance, and liquidity and objectives and the Company’s strategic initiatives, plans, business prospects and opportunities, including the impact of and recovery from the COVID-19 pandemic, supply chain disruptions and plans to address them. A number of factors and risks may cause actual results to differ materially from the results discussed in the forward-looking statements (including the aftermath and ongoing effects of COVID-19 pandemic and related supply chain and operational challenges, inflationary effects and labour supply and labour rate challenges). For more detail regarding the assumptions, factors and risks relating to these “forward looking statements”, please refer to the Company’s financial materials dated February 29, 2024, and May 2, 2024, and the factors and risks contained in its Annual Information Form and other materials filed with the Canadian securities regulatory authorities which are available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). These forward-looking statements are made as of the date of this presentation and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws. *All figures in U.S. dollars unless otherwise noted.*

Factors relating to the Company’s financial guidance for 2024 and targets for 2025 include, in addition to the factors referred to above, the degree to which actual future events accord with, or vary from, the expectations of, and assumptions used by, the Company’s management in preparing the financial guidance and targets and the Company’s ability to successfully execute the “NFI Forward” initiatives and to generate the planned savings in the expected time frame or at all. For more detail regarding the assumptions, factors and risks relating to the Company’s guidance and targets, please refer to the Company’s management’s discussion and analysis dated February 29, 2024.

## Notes to Readers

The Company retrospectively adopted IFRS 17 - Insurance Contracts on January 2, 2023. Refer to the section, “new and amended standards adopted by the Company” for details of the impact of the adoption on the Company’s financial statements. NFI’s financial statements were prepared on a going concern basis in accordance with IFRS. Readers are recommended to read the section, “capital allocation policy” regarding the basis of preparation, the impact of upcoming financial covenants and the determination of application of the going concern assumption.

Specific references and definitions are used throughout this presentation; please see the Non-IFRS and Other Financial Measures section in the MD&A. References to LTM mean last-twelve months (“LTM”). Adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”), Invested Capital, net operating profit after taxes (“NOPAT”), return on invested capital (“ROIC”), Free Cash Flow, Free Cash Flow per Share, Adjusted Net Loss, Adjusted Net Loss per Share, Liquidity, Working Capital Days, Payout Ratio, Book-to-Bill and Backlog are non-IFRS measures and should not be considered substitutes or alternatives for IFRS measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare NFI to other companies.



# Key Financial Definitions

**Non-IFRS Measures – see *NON-IFRS AND OTHER FINANCIAL MEASURES* section of the MD&A Dated May 2, 2024**

- ✓ **Adjusted EBITDA<sup>NG</sup>**: Earnings before interest, income tax, depreciation and amortization after adjusting for the effects of certain non-recurring, non-operating, and items occurring outside of normal operations that do not reflect the current ongoing cash operations of the Company. These adjustments include gains or losses on disposal of property, plant and equipment, gain on debt modification, unrealized foreign exchange losses or gains on non-current monetary items and forward foreign exchange contracts, past service costs and other pension costs or recovery, equity settled stock-based compensation, unrecoverable insurance costs, prior year sales tax provision, out of period costs, impairment loss on goodwill, impairment loss on intangible assets, and non-recurring restructuring costs.
- ✓ **Free Cash Flow**: Defined as net cash generated by or used in operating activities adjusted for changes in non-cash working capital items, interest paid, interest expense, income taxes recovered, current income tax recovery, repayment of obligation under lease, cash capital expenditures, acquisition of intangible assets, proceeds from disposition of property, plant and equipment, defined benefit funding, defined benefit recovery, past service costs and other pension costs, expenses incurred outside of normal operations, equity hedge, unrecoverable insurance costs and other, out of period costs, prior year sales tax provision, restructuring costs, and foreign exchange gain or loss on cash held in foreign currency.
- ✓ **Return on Invested Capital (“ROIC”)**: Defined as net operating profit after taxes (NOPAT, calculated as Adjusted EBITDA<sup>NG</sup> less depreciation of plant and equipment, depreciation of right-of-use assets, and income taxes at a rate of 31%) divided by average invested capital for the last 12-month period (defined as total interest-bearing debt plus derivative liabilities plus equity less cash on hand).
- ✓ **Adjusted Net Earnings (Loss)**: Defined as net earnings (loss) after adjusting for the after tax effects of certain non-recurring, non-operating and items occurring outside of normal operation, that do not reflect the current ongoing cash operations of the Company including: unrealized foreign exchange gain, unrealized gain or loss on the interest rate swap, unrealized gain or loss on Cash Conversion Option, unrealized gain on prepayment option of second lien debt, accretion in carrying value of long-term debt associated with debt modification, gain on debt modification, accretion associated with gain on debt modification, equity swap settlement fee, equity settled stock-based compensation, gain or loss on disposition of property, plant and equipment, past service costs and other pension costs, unrecoverable insurance costs and other, expenses incurred outside of normal operations, other tax adjustments, out of period costs, accretion in carrying value of convertible debt and cash conversion option, prior year sales tax provision, impairment loss on goodwill, impairment loss on intangible assets, and restructuring costs.
- ✓ **Adjusted Earnings (Loss) per Share**: Defined as Adjusted Net Earnings (Loss) divided by the average number of Shares outstanding



An aerial photograph of a busy city intersection, likely in London, featuring a large, stylized 'N' graphic that spans across the road and buildings. The 'N' is composed of a grey outline and a solid blue section. The background shows multiple lanes of traffic, including cars, buses, and trucks, as well as surrounding urban buildings and green spaces.

**NFI**

Leading the **ZE**volution™

