

NFI:TSX Investor Update

North America's #1 Bus OEM & Parts Distributor



May 10, 2018

Forward Looking Statements and Non-GAAP Measures are defined in APPENDIX B.

Market Leader:

- Founded in 1930, the #1 Bus OEM and Parts supplier in North America:
- ~6,000 employees (>50% in US). 32 facilities. Installed base of ~70K vehicles
- Buy America and Canadian Content compliant.
- Market Innovation and Technology leader

Broadest Product offering with Greenest Propulsion Options:

- Positioning: High Quality. "Workhorse" lowest TCO. Great service and parts support.
- Propulsion agnostic from clean diesel, diesel-electric hybrid, natural gas and zero-emission (electric trolley, battery-electric and fuel cell-electric) on common platforms

Solid Runway and Orderbook:

- LTM deliveries = 3,929 EUs. 2018 Guidance = 4,350 EUs
- \$5.8B Backlog: 3,997 firm orders and 7,551 options (EUs) with ~80% conversion rate
- Public Customer Book-to-Bill ratio consistently >100% for last 15 Quarters

Proven Track Record:

- Changed Capital Structure in 2012. LEAN implementation.
- Last 8 years: ROS from 5% to >13%. ROIC from 6% to >15%. Market Cap from C\$0.5B to C\$3.7B. Five year TSR 892% (assuming all dividends reinvested)
- Diversification through M&A (7) since 2010: HD Transit + Parts + Coach + Cutaway
- Business Unit structure with operating Presidents.

Financial Flexibility:

- LTM US \$2.39B Revenue with 90% in US\$. \$373M spare parts business
- Flexible cost base. Appropriate level of Make vs Buy
- Strong and predictable FCF. Leverage <2X
- Dividend = \$1.50/share (2.5% Yield) with record of consistent increases.

LTM Performance:

Revenue:	US \$2.39B
Adjusted EBITDA:	US \$320.4M
Return on Sales:	13.4%
Net Debt:	US \$626M
Total Leverage:	1.90X
ROIC:	15.4%
FCF:	US \$161.5M
Payout Ratio:	39.8%
Fully Diluted Market Cap:	~\$C 3.7B ⁽³⁾

Q4-17 Production Backlog:

2018 Production Target:	4,350 EU
Firm Orders:	3,997 EU = \$2.1B
Options:	7,551 EU = \$3.7B
Book-to-Bill Ratio:	149% LTM

Common Share (TSX:NFI) ⁽⁴⁾

Shares Outstanding:	62.9M
60-day average Daily Volume:	~275K
Dividend = C\$1.50/Share ⁽¹⁾ , Yield: ~2.5% ⁽³⁾	
TSR ⁽²⁾ : '18 YTD = 11% ⁽³⁾ '17 = 35% '16 = 47%	

(1) Effective May 9, 2018 the Dividend increased by 15.4% to C\$1.50 per share annually. Paid quarterly.

(2) Total Shareholder's Return ("TSR") is calculated by the growth in capital assuming dividends are reinvested each time paid.

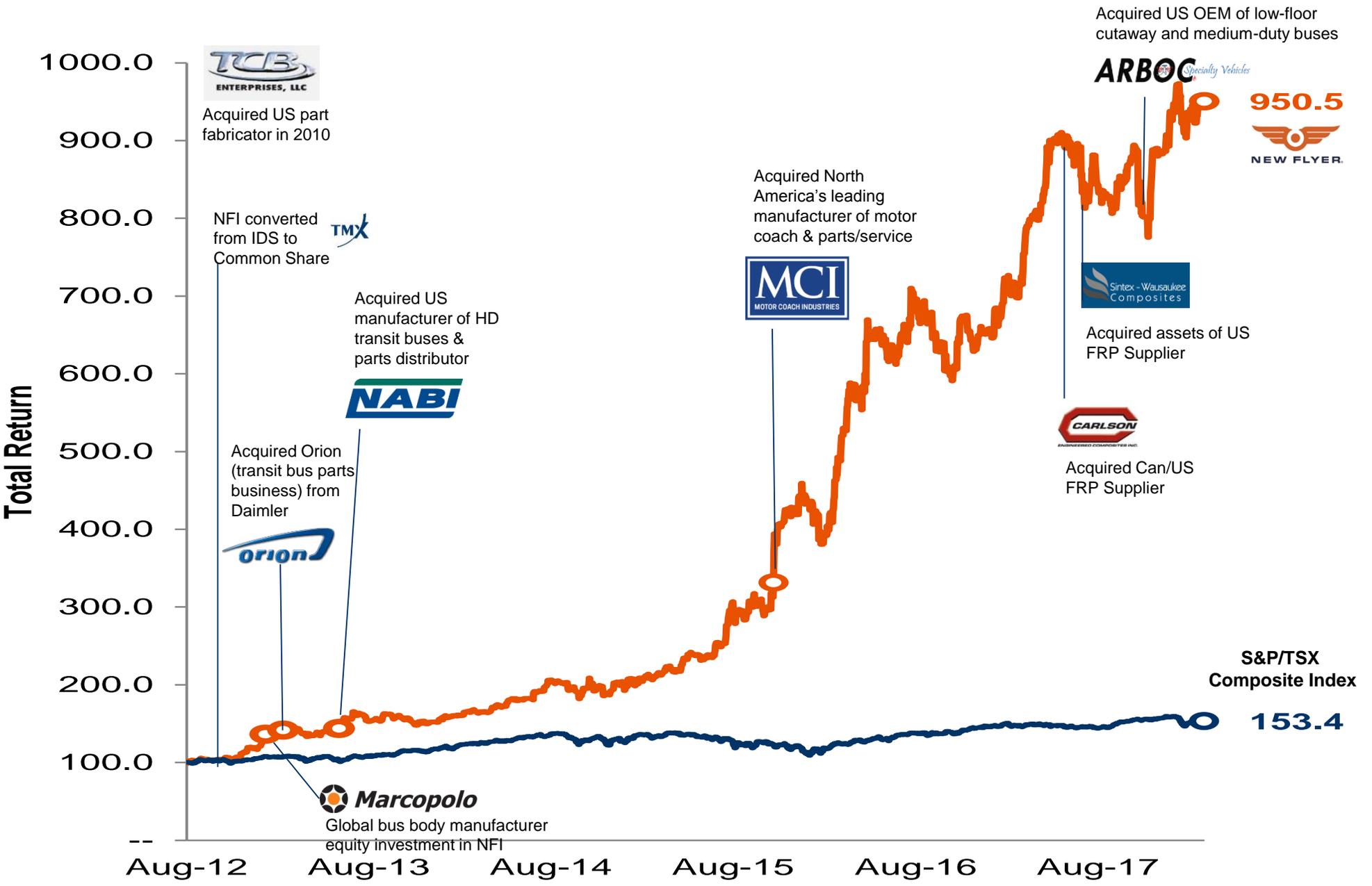
(3) Calculated using closing TSX market price as at May 4, 2018

(4) NFI is included in S&P/TSX: Composite Index, Equal Weight Industrials Index and Composite Shareholder Yield Index

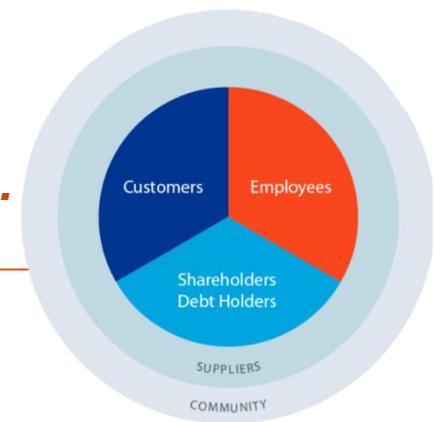
NFI Group

Total Shareholder Return

TSR includes capital appreciation and dividends paid. Calculated using closing TSX market price as at March 21, 2018



Source: FactSet, Company filings



NFI Differentiators:

1. Offer a full range of Bus Products as the industry's best buses, parts and service. "Workhorses"
2. Trusted business partner for over 85 years delivering and standing behind reliable products. Focus on Total Cost of Ownership.
3. Vertically Integrated fabrication where NFI owns the drawings to control Cost-Time-Quality.
4. Propulsion Agnostic on proven common platforms: Clean Diesel, Natural Gas, Hybrid, Electric (trolley, battery and fuel-cell)
5. Exceptional Spare Parts, Publication and Training offering.

Core Competencies:

1. Focus on People and Culture. Continuous pursuit to be an Employer of Choice.
2. We know LEAN: Deployed operational excellence principles and a Quality Roadmap.
3. Exceptional ability to integrate complex technology and perform rapid and continuous change engineering, sourcing and production.
4. Ability to Plan, Manage and Control large scale projects and business transformations.
5. Ability to perform due diligence, Acquisitions and successful integration.

Optimize, Defend, Diversify & Grow

NFI Group

Proven Leadership with extensive Industry Experience

Paul Soubry President & CEO, NFI Group



Joined New Flyer in **2009** as President and CEO after 24 years with Standard Aero. Holds a Bachelor of Commerce, attended Exec Ed at Harvard Business School and the Institute of Corporate Directors.

In 2003, was named a recipient of 'Canada's Top 40 under 40' award, inducted into the CME Manufacturing Hall of Fame in 2014, and recognized as Canada's 2016 CEO of the Year by the Financial Post.

Wayne Joseph President, Transit Bus



Joined New Flyer in **2008** as VP Operations and then assumed responsibility as EVP Transit Bus. Prior held executive positions in bus manufacturing for over forty years with NABI, Blue Bird and Fixible, and then at BAE Systems.

Holds a Bachelor of Science in Business Administration and an Accounting Degree and is Certified in Production and Inventory Management (CPIM).

Ian Smart President, Motor Coach



Joined New Flyer in **2011** as EVP Aftermarket and prior held various executive positions at Standard Aero for 15 years - one of the world's largest independent aviation service companies.

Lead the project to privatize and conduct LEAN implementation at a United States Air Force Base.

Holds a Bachelor of Science in Industrial Engineering.

Brian Dewsnap President, Aftermarket Parts



Formerly NABI's CFO since **2006** (which NFI acquired in 2013), and then VP Business Development of New Flyer. Led the acquisition of MCI and became VP & GM Aftermarket. Prior served as Controller of Johns Manville's-Waterville operations, and held various capacities at Ford Motor and Visteon.

Holds a Bachelor's in Mechanical Engineering, Masters in Mechanical Engineering, and an MBA in Finance.

Glenn Asham CFO, NFI Group



Joined New Flyer in **1992**. Obtained chartered accountant designation and holds a Bachelor of Commerce. Prior worked with Deloitte providing client services in the areas of accounting, auditing, taxation and management consulting

Colin Pewarchuk, General Counsel, NFI Group



Joined New Flyer in **2006**. Prior practiced law with Aikins, Macauley and Thorvaldson and was a Banking Officer with Royal Bank of Canada. Holds a Bachelor of Commerce in Finance and a Bachelor of Laws.

Janice Harper EVP HR, NFI Group

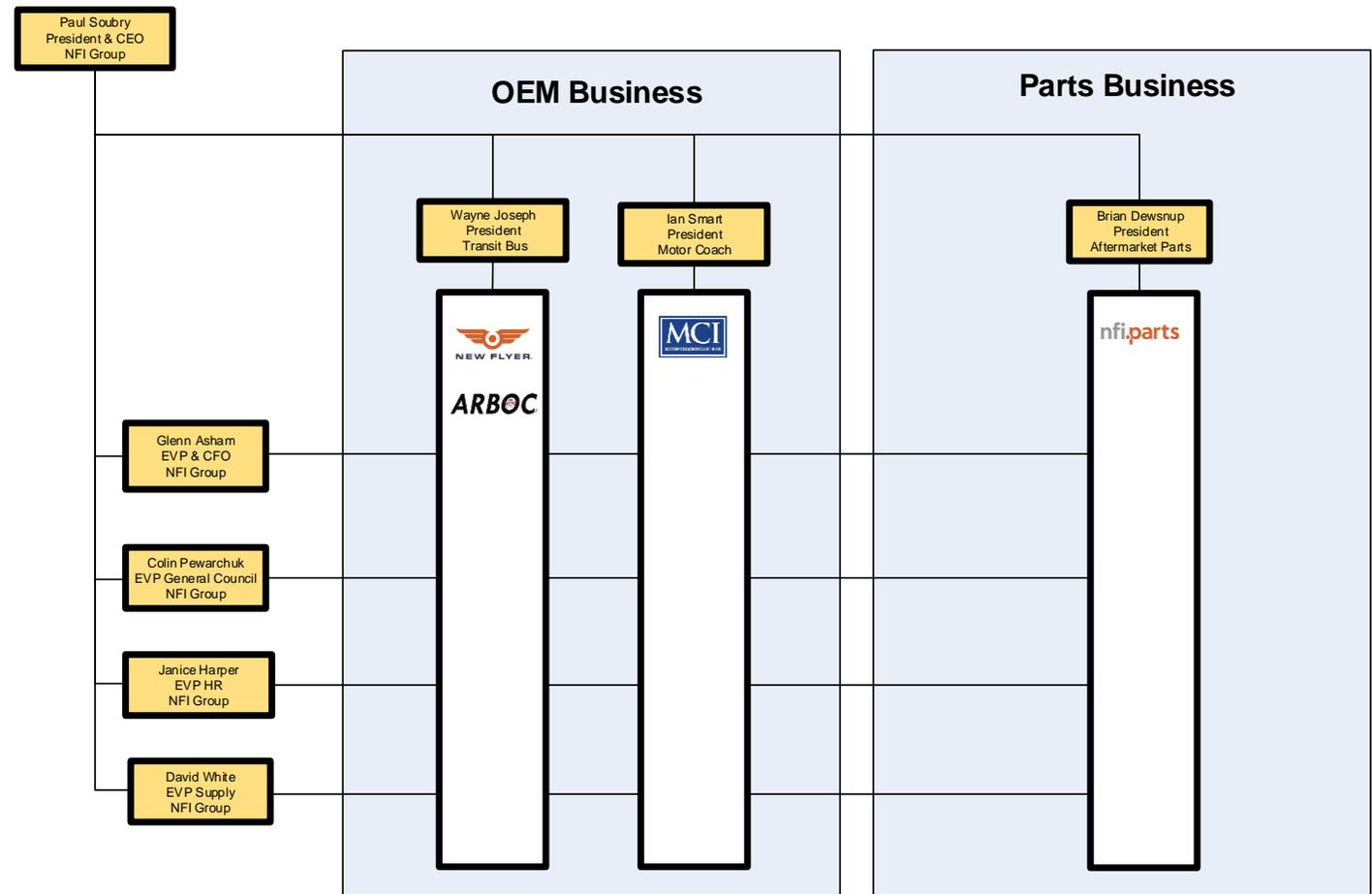


Joined New Flyer in **1998**. Holds a Diploma in Creative Communications, a Certificate in Human Resources, is a Chartered Professional in Human Resources (CPHR), a HR Compensation Committee management designation and a BA in Communications.

David White EVP Supply, NFI Group



Joined New Flyer in **1998** as Corporate Controller, and became Vice President Supply Management in 2002. Prior worked for Deloitte as a Chartered Accountant. Holds a Bachelor of Commerce in Finance and obtained Chartered Accountant designation.



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Manufacturing, Fabrication and Service Footprint

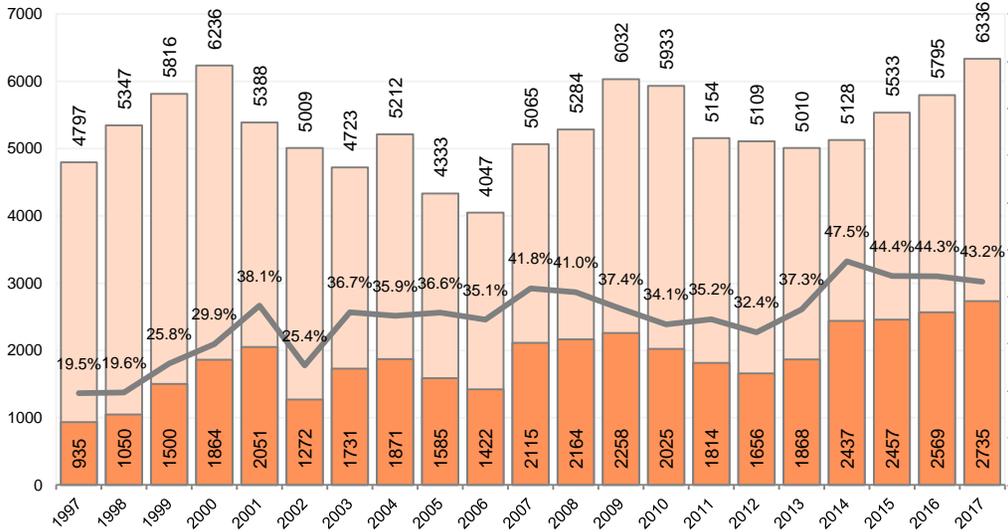


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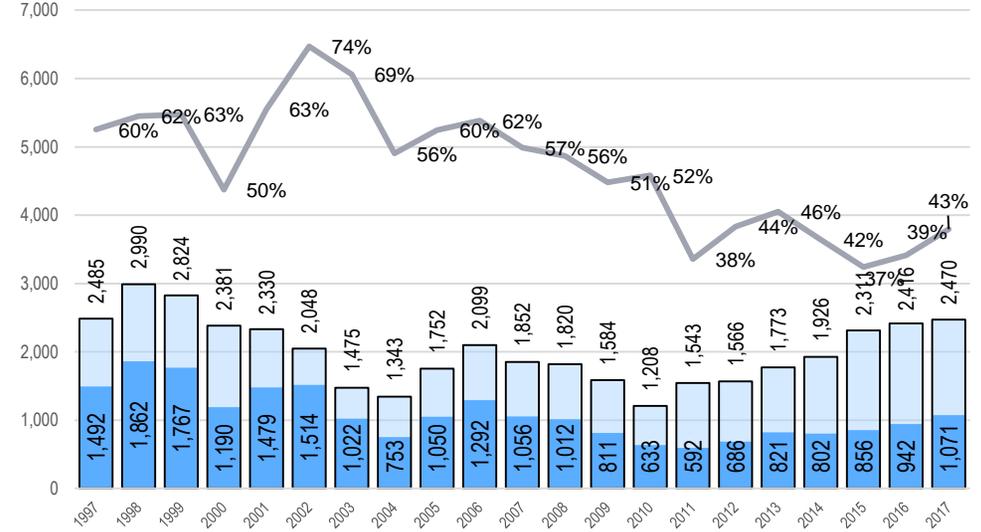
Annual Deliveries and Market Demand

Source: New Flyer Database & Management Estimates

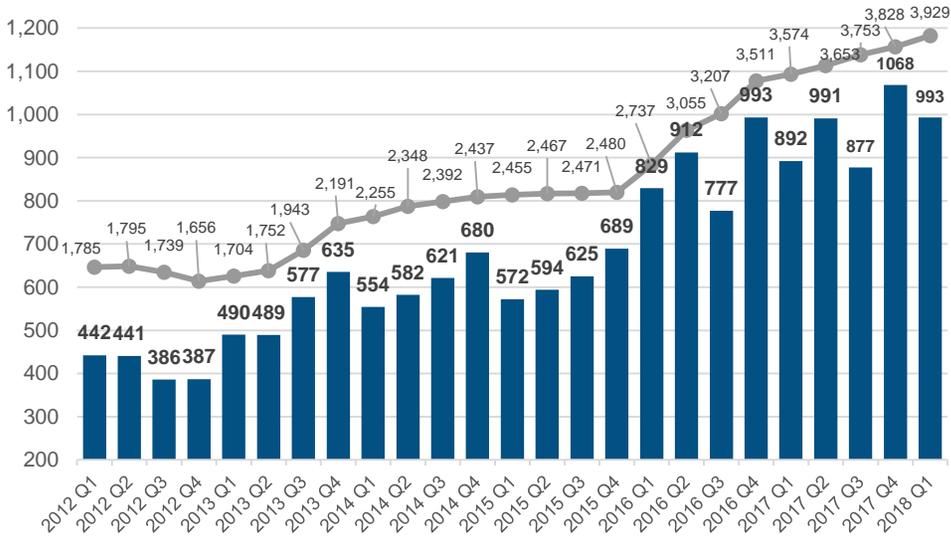
HD Transit Bus Market - EUs delivered in Can/US



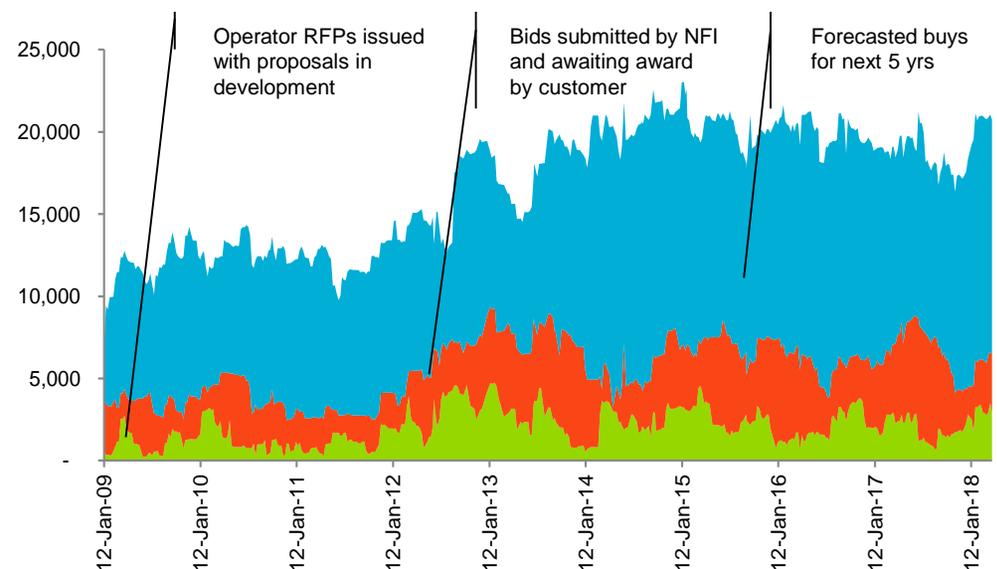
Motor Coach Market - Delivered in Can/US



NFI LTM New Bus/Coach Deliveries (EUs)



Public Bid Universe & Active Opportunities (EUs)





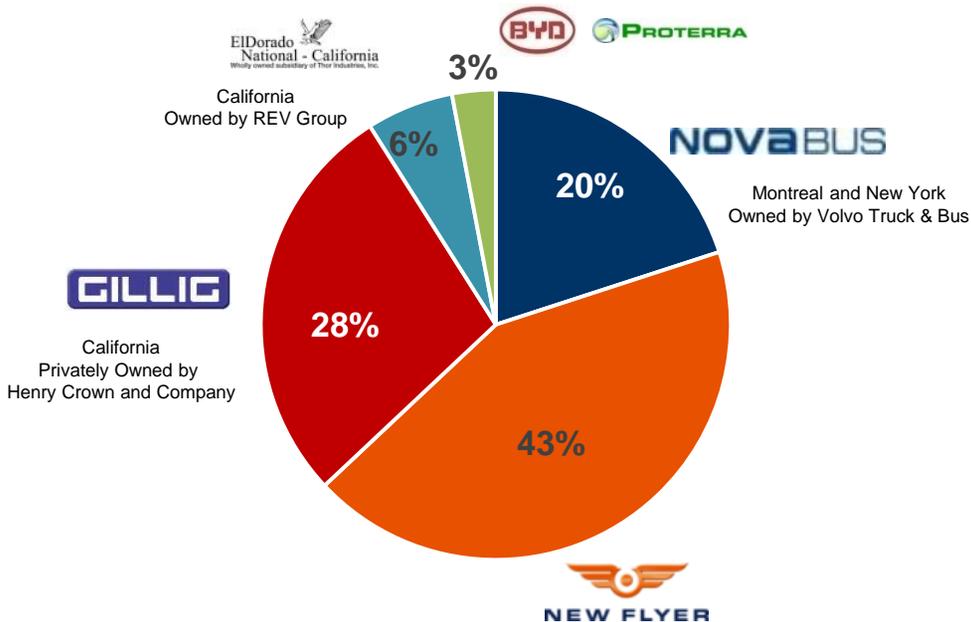
#1 Market Share in Transit Bus

Heavy-Duty: Xcelior®



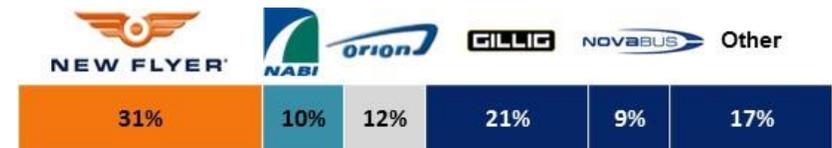
- Launch in 2009 based on >20 years experience with low floor transit buses. Primary targets are metropolitan & urban fleets
- Offered in 35', 40', and 60' lengths and with the industry's widest range of propulsion options: clean diesel, diesel-electric hybrid, natural gas, and zero-emission (electric trolley, battery-electric and fuel cell).

HD Transit Bus Share (2017 market is ~6,300 units)



Active Canada/US HD Transit Bus Coach Fleet ~85,000

Average Age of the HD Transit Fleet: US = 7.8 years, Canada = 7.3 years
 Source: APTA Public Transportation Factbook 2016

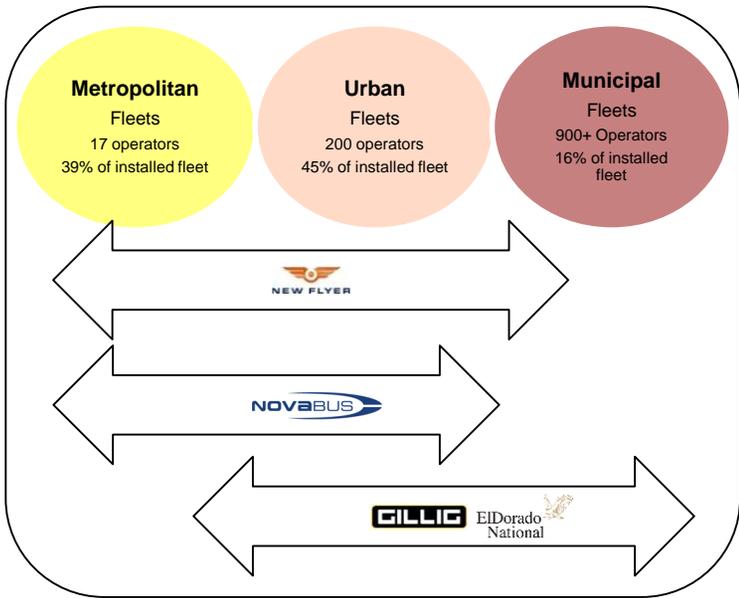


Orion Parts and NABI acquired by NFI in 2013



Transit Bus Market Segments in Canada and US

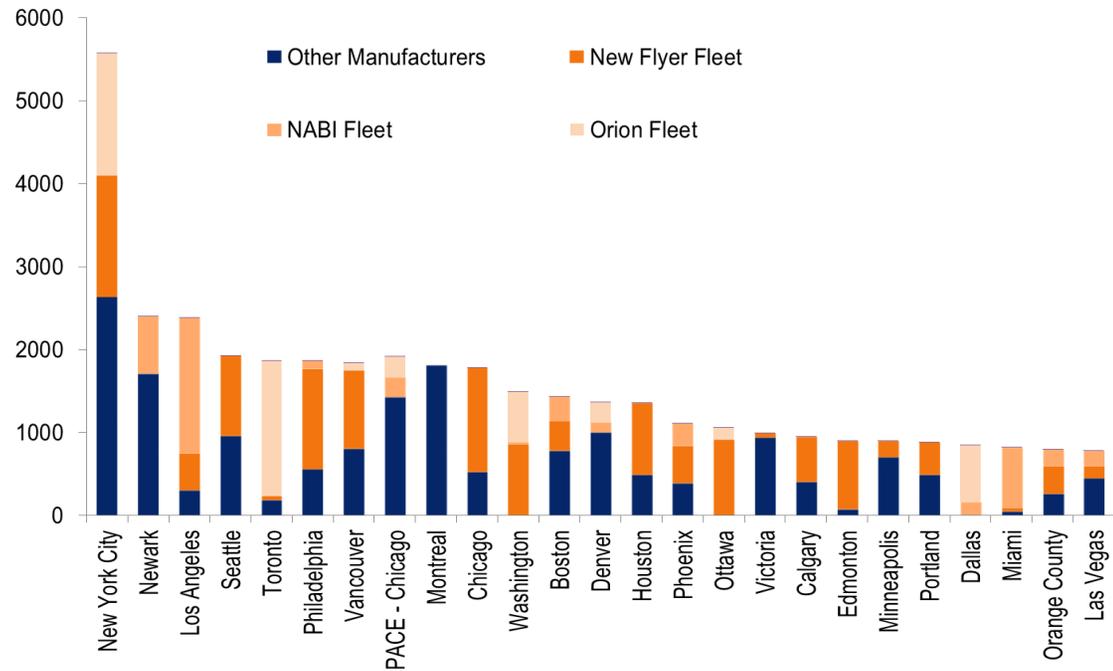
Transit Market Segments and primary targets



Market entrants focusing only on battery-electric buses:



24 of the 25 largest Transit Agencies operate NF supported transit buses





#1 Market Share in Motor Coaches

New Coach – Private	New Coach – Public	Pre-Owned Coach
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MCI J Model



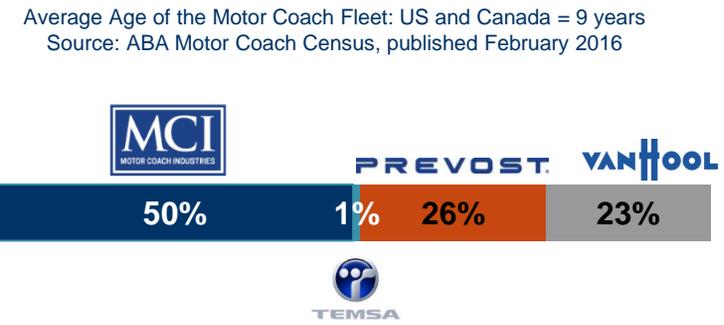
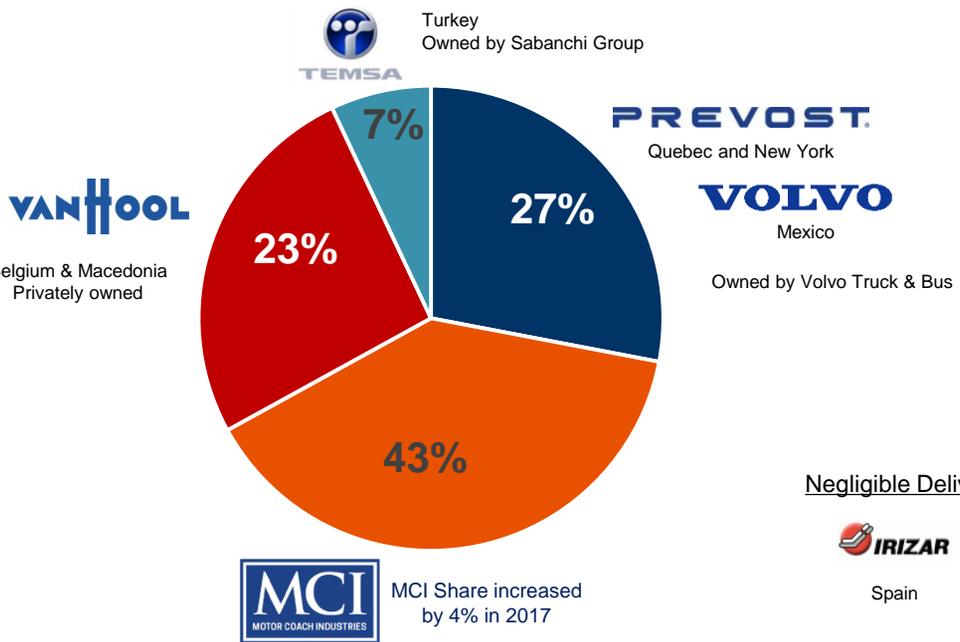
MCI D Model



- | | | |
|---|---|---|
| <ul style="list-style-type: none"> Targets the mid-range to luxury segments J Model #1 selling coach in NA private market | <ul style="list-style-type: none"> Targets the mid-range segment “Buy America” compliant D Model is the #1 selling coach of all time in NA | <ul style="list-style-type: none"> Trade-in option to support new coach sales (~350 annually) Coaches are refurbished at NFI/MCI service centers and various 3rd parties |
|---|---|---|

Motor Coach Share: 2017 market ~2,500 units

Active Canada/US Motor Coach Fleet ~55,500 units



Average Age of the Motor Coach Fleet: US and Canada = 9 years
 Source: ABA Motor Coach Census, published February 2016

Negligible Deliveries to date

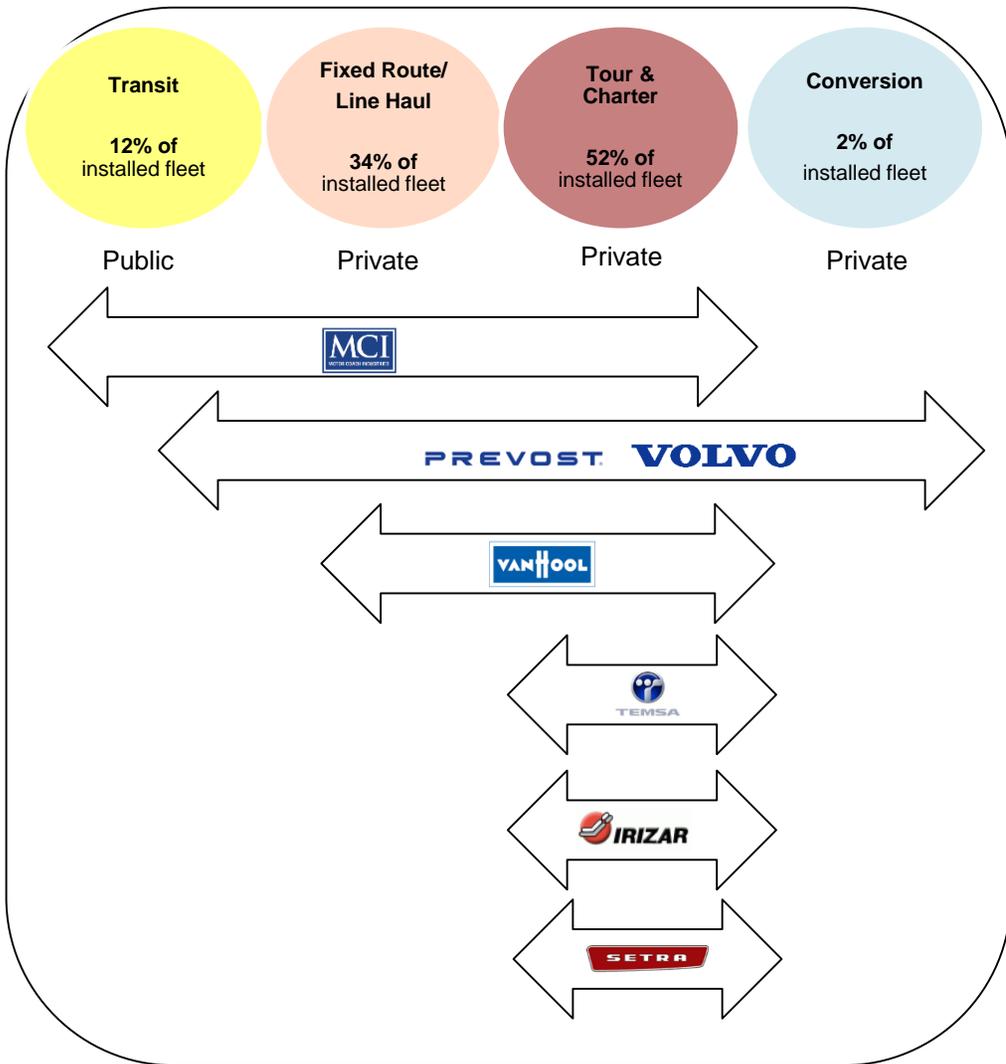
IRIZAR	BYD
Spain	US

Source: New Flyer Database & Management Estimates



Motor Coach Market in Canada and US

Market Segments and primary targets



Private Market Segment Definitions

Tour/Charter	Fixed Route	
<p>Tour (Inbound / Incountry)</p> <ul style="list-style-type: none"> Pre-arranged tours to sights Work for tour operators or themselves Passengers mostly tourists Varying tour group sizes Mostly foreigners coming in to the US for pre-arranged combined tours 	<p>Line Haul</p> <ul style="list-style-type: none"> Connecting bigger north American cities (function of population) Examples are scheduled routes from Washington D.C. to Philadelphia or New York National networks Highest concentration in bigger populated cities Variance in service drives a wide variety of needs Eg: Baggage space 	<p>Public segment Commuter</p> <ul style="list-style-type: none"> Similar to line haul service with scheduled stops Medium distance Passengers are mainly office workers driving to work and back every day Many operators are transit agencies and private operators that work contracts for public transit agencies Bus purchases are federally funded and required to have 60% local content "Buy America"
<p>Charter</p> <ul style="list-style-type: none"> Every transportation possible Very diverse operation from athletics to field trips, students visiting college campuses, minor league baseball teams, corporate management meetings and convention center work 	<p>Employee shuttle</p> <ul style="list-style-type: none"> Employee transportation Morning / evening Heavy focus in Bay Area with 600 coaches Google Apple Facebook 	<p>Contract Shuttle</p> <ul style="list-style-type: none"> Employee shuttle for various Types: <ul style="list-style-type: none"> Construction sites Mines/Oil/Gas sites AMTRAK Cruise ships



ARBOC acquired by NFI December 1, 2017

- ARBOC Specialty Vehicles LLC was acquired by NFI for \$95M or ~10X ARBOC's 2017 adj EBITDA. ARBOC has Industry leading EBITDA margins and favorable commercial terms
- A pioneer in low-floor cutaway bus technology, ARBOC holds numerous patents and is the industry leader in the development and manufacture of low floor buses 21-35 feet in length for transit, paratransit and shuttle applications.
- Founded in 2008, ARBOC has sold >2,500 buses. 2017 deliveries ~360 buses and 2018 forecasted ~500 buses (40% increase, of which 320 are firm orders). Located in Middlebury, IN, ARBOC is Buy America compliant.
- Market leader of the low-floor cutaway segment with approximately 70% market share. ARBOC recently launched a medium duty bus built on their own chassis design. The bus has received tremendous market response, with initial orders in hand, and is currently undergoing testing to ten year standards at the FTA sanctioned Altoona test track.

Opportunity for NFI:

- Growth potential for both Cutaways and Medium Duty buses
- Located in the US. Buy American Compliant
- A maturing business with proven bus models. Advanced, disruptive and patented low-floor technology.
- Bus types & models complimentary to NF and MCI
- NFI has retained ARBOC Management team
- Low cost operations with very attractive bus price points
- Synergy potential with NFI (not yet fully qualified)
 - Sales leverage with some Customer overlap
 - Potential for strategic sourcing and part fabrication
 - Spare parts business

Market:	ARBOC Model	Estimated Annual Market Size (EU)	Competitors
Small Cutaway 4 Years / 100,000 mi 	<ul style="list-style-type: none"> • Spirit of Independence 	9,100 ⁽¹⁾	<ul style="list-style-type: none"> • Champion (REV Group)⁽²⁾ • Goshen (REV Group)
Medium Cutaway 5 Years / 150,000 mi 7 Years / 200,000 mi 	<ul style="list-style-type: none"> • Spirit of Freedom • Spirit of Mobility 	5,175 ⁽¹⁾	<ul style="list-style-type: none"> • StarCraft (Forest River) • Elkhart Coach (Forest River) • Glaval (Forest River)⁽²⁾
Medium Duty Transit 7 Years / 200,000 mi 10 Years / 350,000 mi 	<ul style="list-style-type: none"> • Spirit of Liberty • Spirit of Equest 	1,270 (720 cutaway) (550 medium duty)	<ul style="list-style-type: none"> • Vicinity (Grande West) • ADL • El Dorado (Rev Group) • Gillig
Trolley 7 Years / 200,000 mi 	<ul style="list-style-type: none"> • Spirit of America 	300	<ul style="list-style-type: none"> • Hometown Trolley

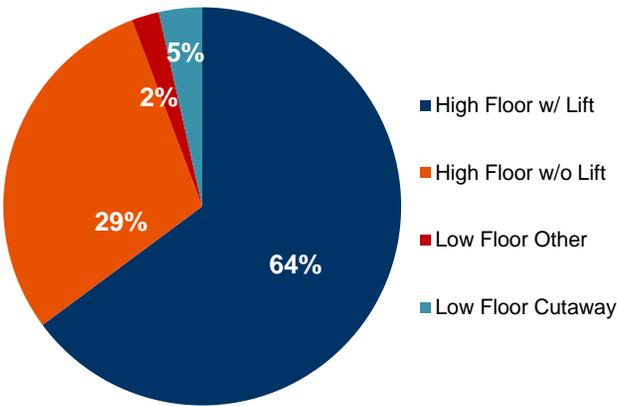
(1) Current Low floor cutaway market estimated at approx. 550 units

(2) Competitors offering low floor cutaways

ARBOC Low Floor Bus Models

Mobility	Freedom	Liberty	Independence	Equess
				
<ul style="list-style-type: none"> Launched in 2008 23', 26' and 28' Lengths 	<ul style="list-style-type: none"> Launched in 2010 24', 27' and 29' Lengths 	<ul style="list-style-type: none"> Launched in 2014 29' and 34' Lengths 	<ul style="list-style-type: none"> Launched in 2016 21' and 23' Lengths 	<ul style="list-style-type: none"> Launched in 2016 29', 32', and 35' Lengths

NA Cutaway Bus Market (2017 market ~15,000 units)



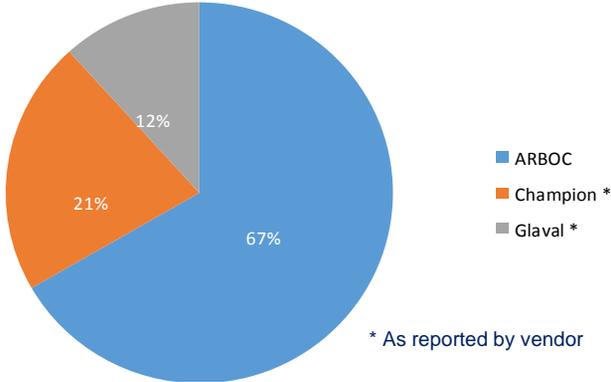
High Floor Cutaway



Low Floor Cutaway



NA Low Floor Cutaway Bus Share (2017 market ~550 units)

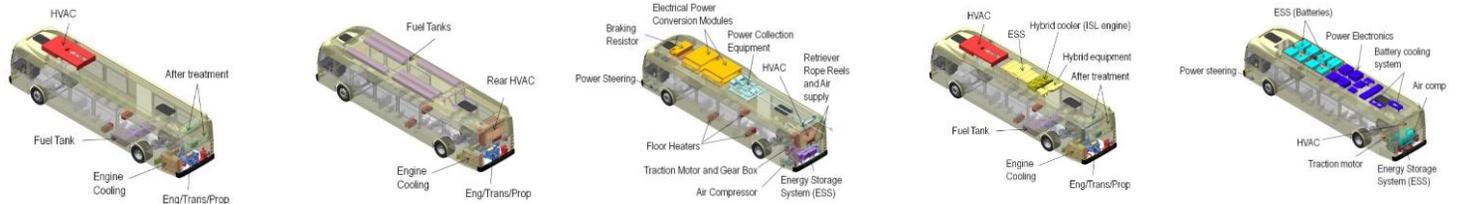


* As reported by vendor

Environmental Leadership with Propulsion Options



	Clean Diesel	Natural Gas	Electric Trolley	Hybrid Electric	Battery Electric/ Fuel Cell
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Xcelsior 35', 40', 60'	✓	✓	✓	✓	✓
D Model 40', 45''*	✓	✓		✓	
J Model 45' with 35' in development	✓				MCI eCoach in Development
Low-Floor Cutaway	✓	✓			
Medium Duty Transit/Shuttle	✓				



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).
- New Flyer launched a next generation Xcelsior CHARGE transit bus and continues to lead the US/Can ZEB market with 47% of the 2017 ZEB awards, and 30% of ZEB deliveries. Active ZEB Bid Universe at the end of 2017 was ~10% of the total Bid Universe.
- Battery-electric J Model motor coach in testing at MCI

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Investing for Growth and Margin Enhancement



Battery-Electric Xcelsior



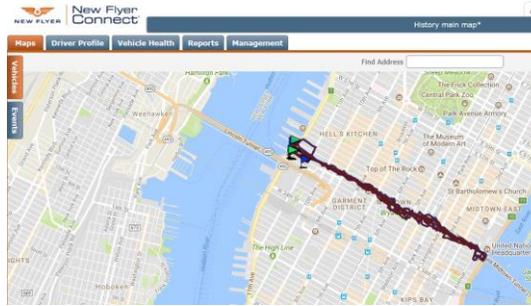
New D Model CRT with Vestibule



SF Bay Area Service Center



Telematics



IT Harmonization at MCI and Parts



Vehicle Innovation Centre



FRP Fabrication Acquisitions



35' Model J & eCoach Prototypes



nfi.parts Web Store



- Widest bus and motor coach product inventory, industry leading distribution network with shortest delivery times.



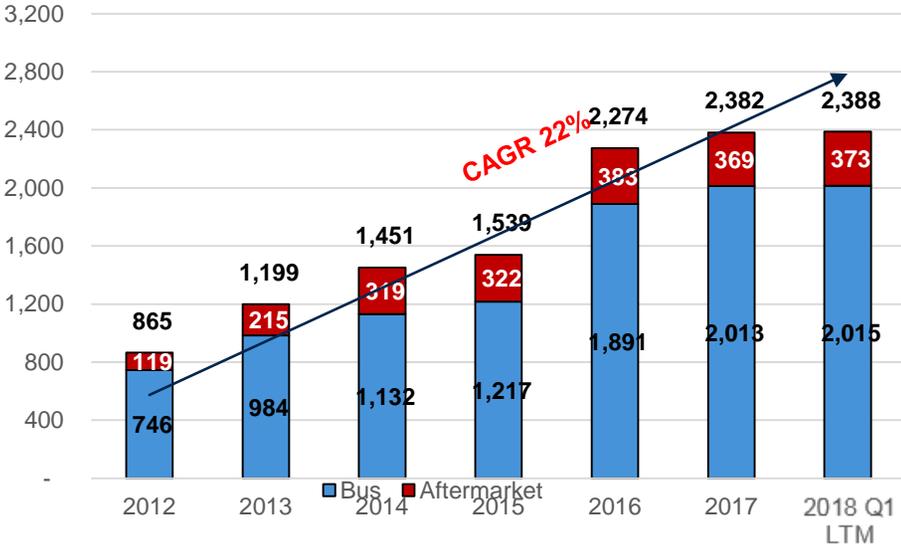
- Added value through unique offerings (Kits, Mid-life upgrade programs, Vendor Managed Inventory, KanBan, etc).
- New MCI website offering state of the art on-line sales and distribution features.



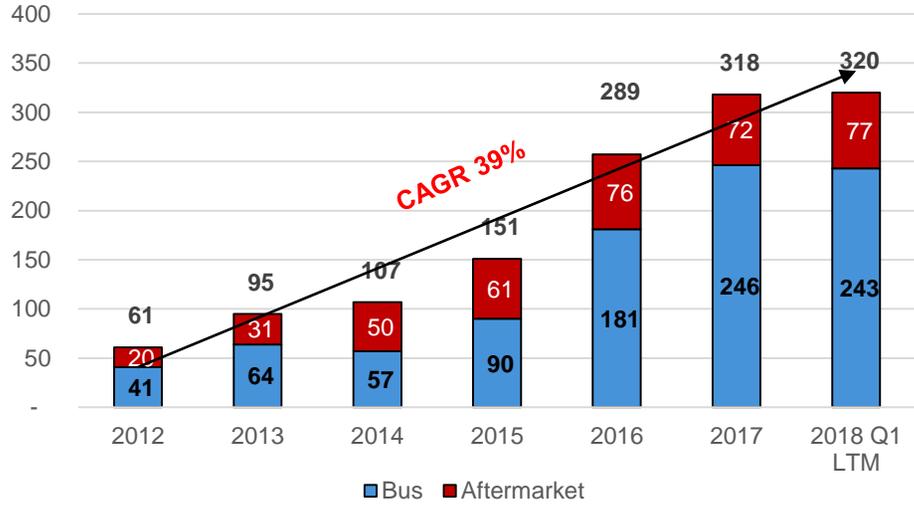
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Financial Performance

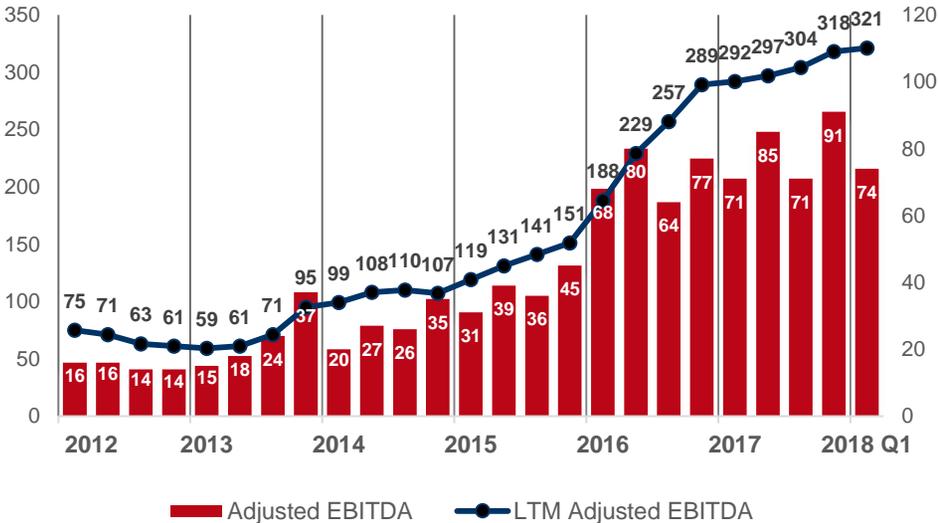
Sales (\$M US)



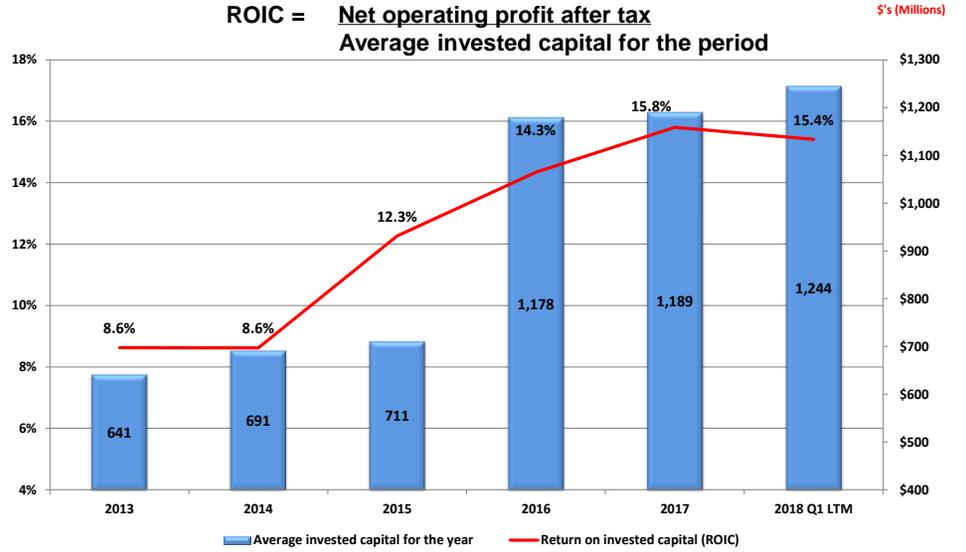
Adjusted EBITDA (\$M US)



Quarterly Adjusted EBITDA (\$M US)



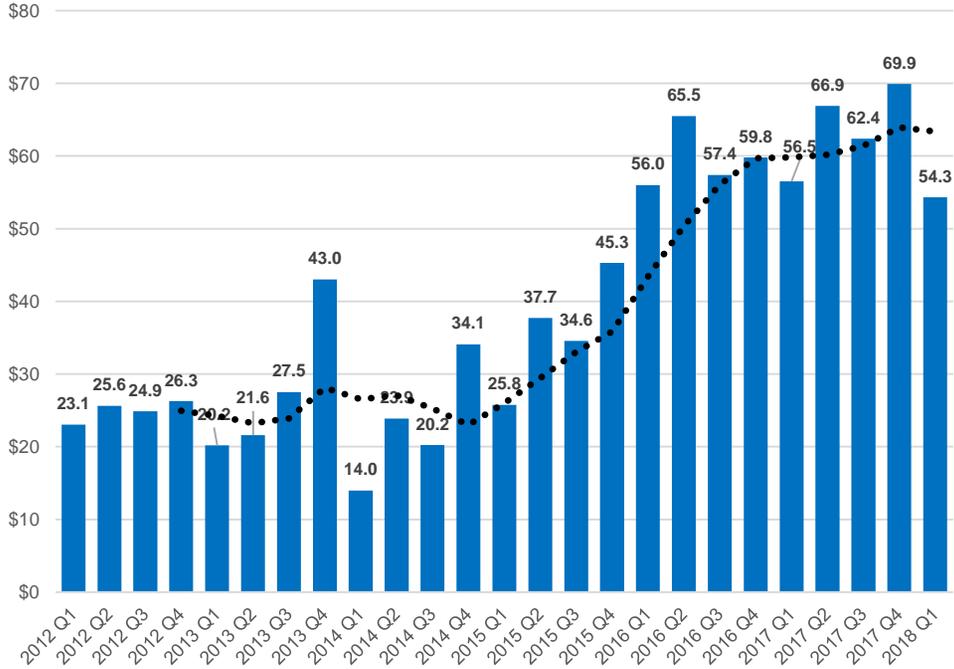
Return on Invested Capital



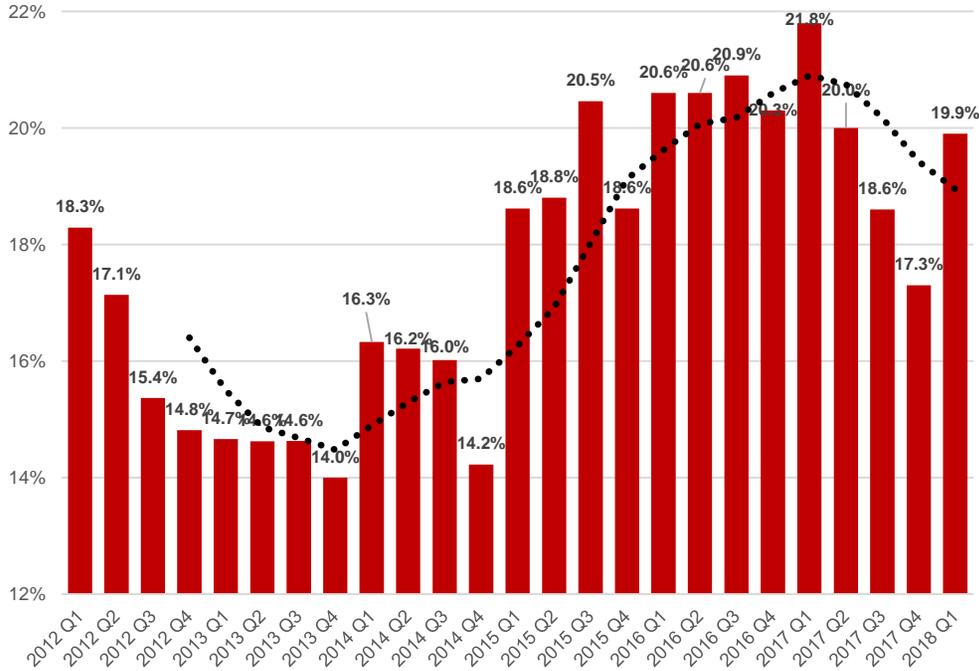
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Operating Performance

Adjusted EBITDA per new EU delivered (\$000 US)



Aftermarket EBITDA Margin %

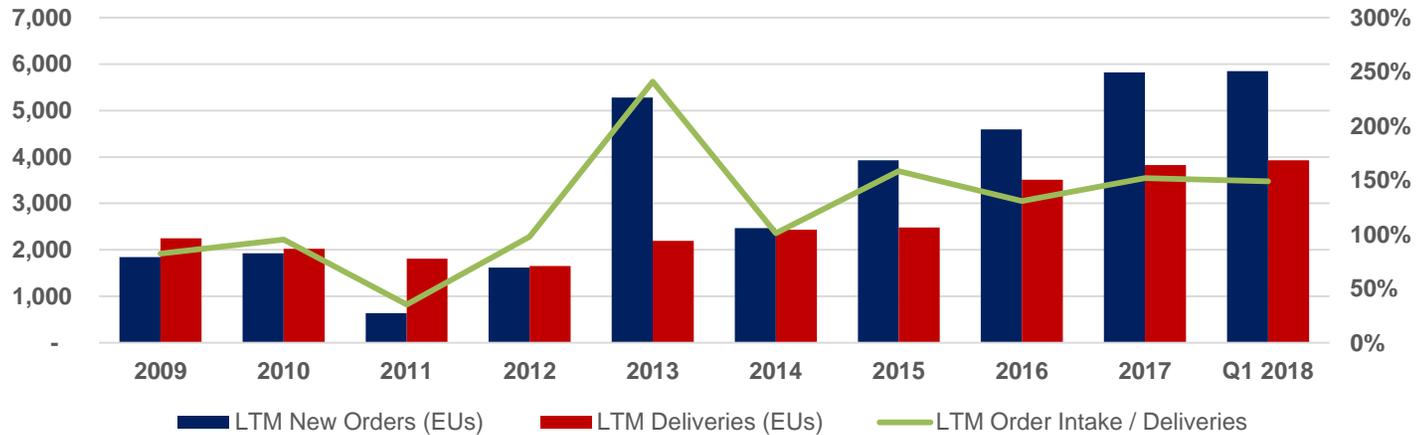


NFI Group

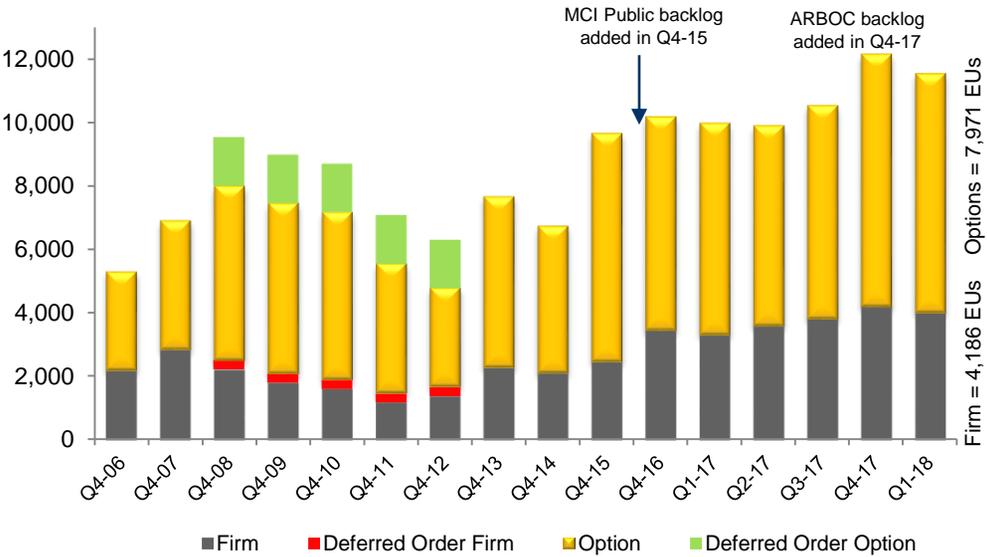
Book-to-Bill Ratio, Backlog and Option Conversion

Public Customer Book-to-Bill consistently >100% for last 14 Quarters

Order Intake vs Deliveries

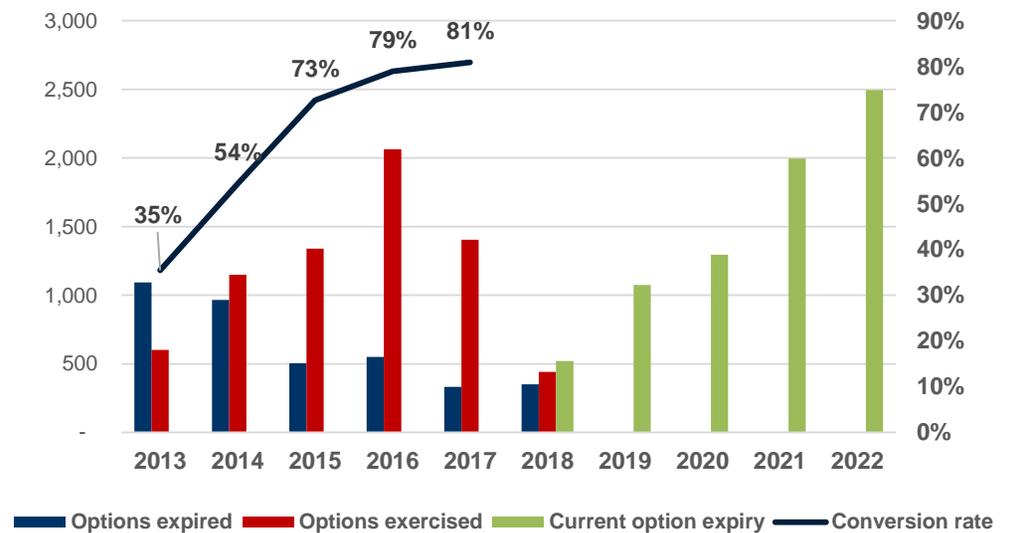


Total Backlog (Firm and Option EUs)



US Customer deferred Order was removed from backlog in 2013 following 5 years of inaction.

Option History and Current Status (EUs)

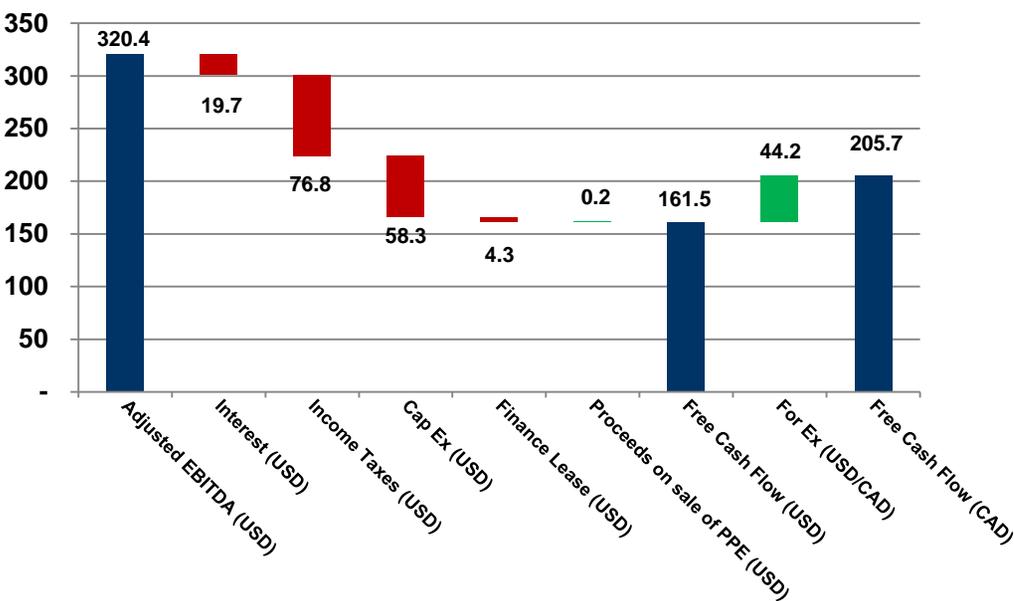


Conversion rate % is calculated as, Options exercised / (Options expired + Options exercised)

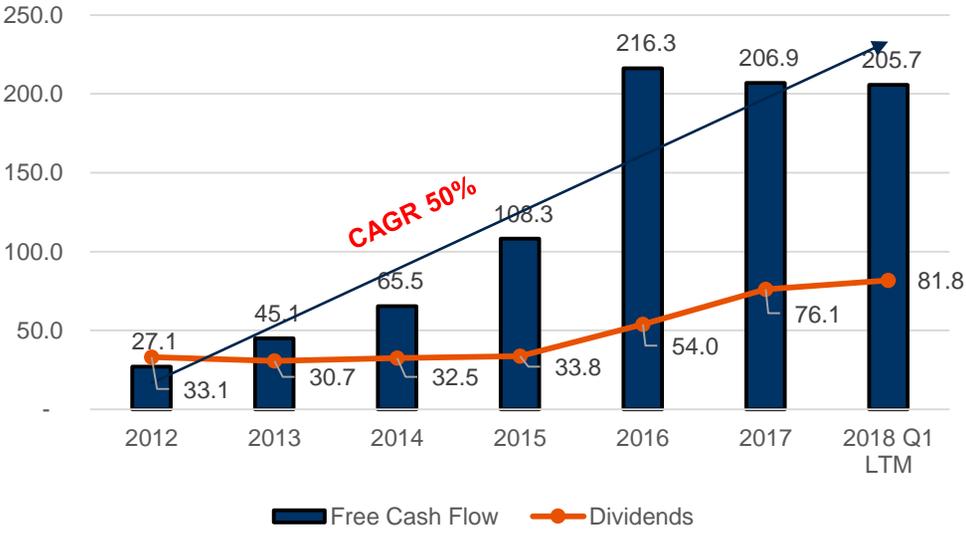
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Cash Flow Performance

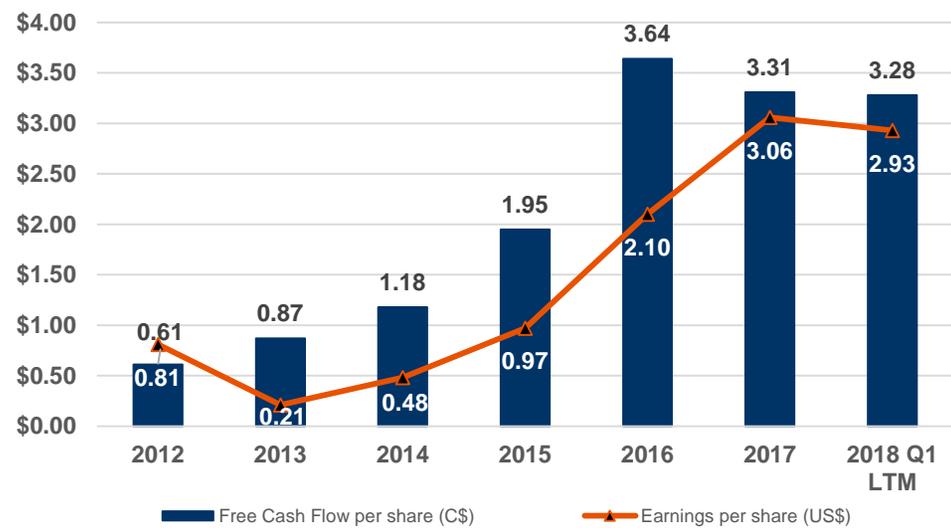
Fiscal 2018 Adjusted EBITDA to Free Cash Flow (\$M)



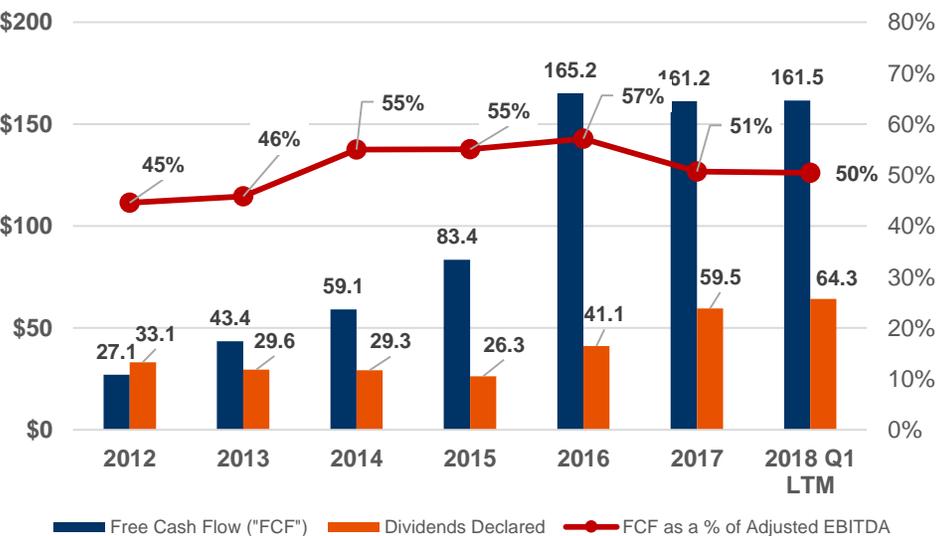
Free Cash Flow and Dividends (C \$M)



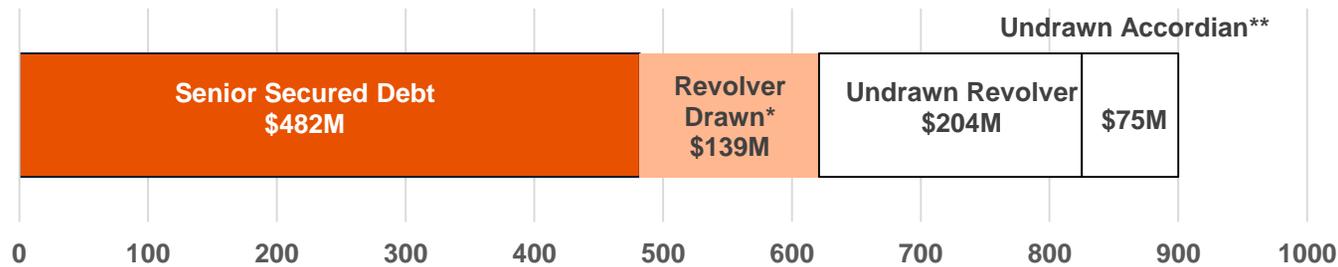
Free Cash Flow and Net Earnings (\$/share)



Free Cash Flow and Dividends (\$US)



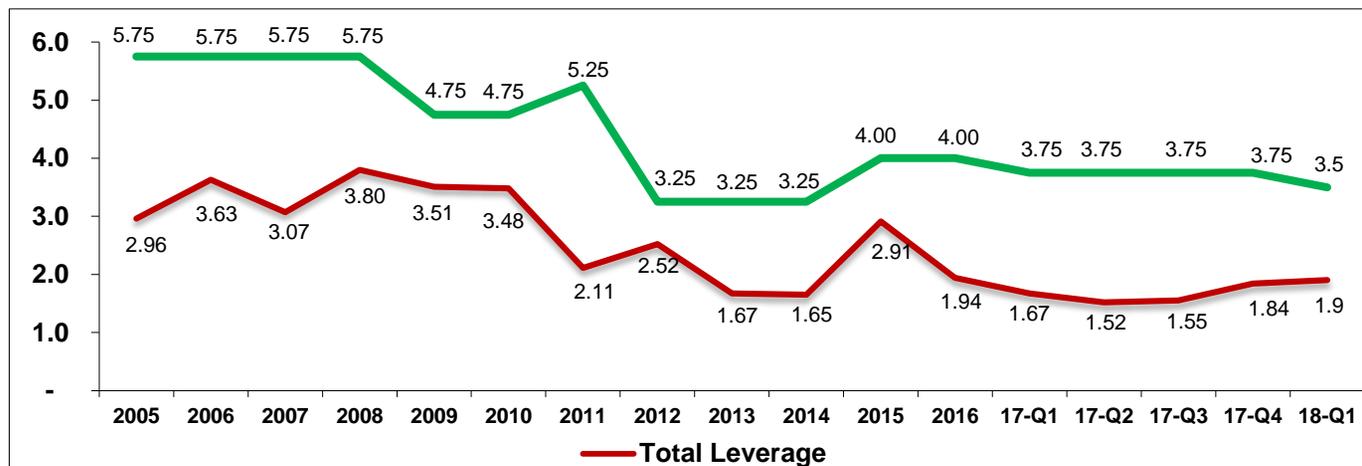
Total Credit Facility Debt (\$US M) = \$621M (Senior Debt + Revolver Drawn + Bank indebtedness)



* Includes \$15M drawn against Letters of Credit

** Use of Accordion facility requires Lender Approval

Total Leverage Ratio* vs Credit Covenant



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

Invest in current business and growth

“Growth includes both Organic and M&A”

- Invest in LEAN manufacturing to improve quality & cost effectiveness
- Invest in vertical integration of critical supply
- Seven acquisitions completed from 2010 to 2017. Seeking additional M&A (Tuck-in and Growth).

Maintain Balance Sheet flexibility

“Prudent use of Leverage”

- Provide liquidity for fluctuating working capital requirements
- Seek normal operations between 2-2.5X leverage
- Add leverage to fund accretive acquisitions capable of reducing leverage through earnings

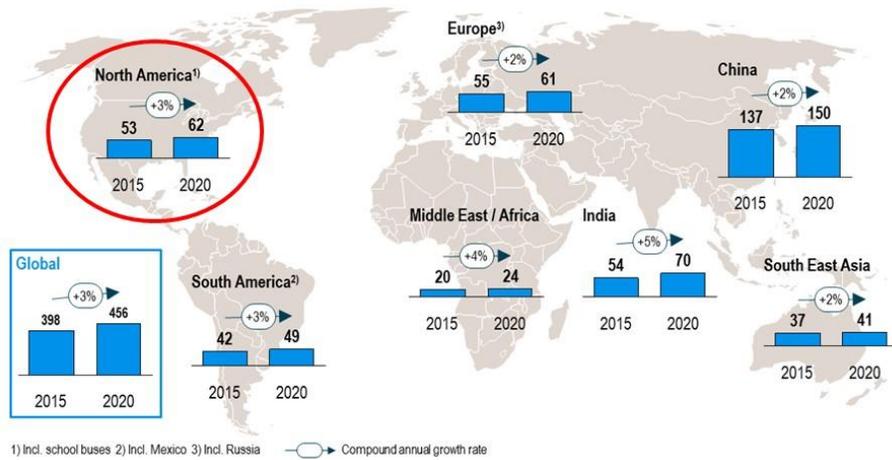
Return capital to Shareholders

“Common Share Dividend”

- Sustainable distributions.
- On May 9th, 2018 the annual dividend rate was increased to CAD C\$1.50 per share. Paid quarterly.

Foundation of Capital Allocation Policy is built on a strong balance sheet and an operating model providing consistent and predictable cash flow

GLOBAL BUS MARKET ~420K/YR



CANADA/US BUS MARKET ~56K/YR



Bus Type	Approx Annual Deliveries (EUs)
 School Bus	~30,000 - 35,000
 Cutaways (Truck Chassis based)	~16,000 - 18,000
 Medium Duty Transit and Shuttle	~500 - 600
 Heavy Duty Transit EU's (single and articulated)	~5,400 - 5,800
 Motor Coach	~2,000 - 2,500



FORWARD LOOKING STATEMENTS, FINANCIAL TERMS, DEFINITIONS AND CONDITIONS

FORWARD LOOKING STATEMENTS

This investor presentation contains forward-looking statements relating to expected future events, including the integration of the acquired business into New Flyer's existing business and expected synergies, the diversification and growth of the combined bus, motor coach and aftermarket parts businesses. Although the forward-looking statements contained in this investor 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. Actual results may differ materially from management expectations as reflected in such forward-looking statements for a variety of reasons, including risks related to the ability to implement the operational changes necessary to achieve the intended synergies, acquisitions, joint ventures and other strategic relationships with third parties (including liabilities relating thereto), the covenants contained in the Company's new senior credit facilities could impact the ability of the Company to fund dividends, market and general economic conditions and economic conditions of and funding availability for customers to purchase buses and to purchase parts or services, customers may not exercise options to purchase additional buses, the ability of customers to suspend or terminate contracts for convenience and the other risks and uncertainties discussed in the materials filed with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com. Due to the potential impact of these factors, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

FINANCIAL TERMS, DEFINITIONS AND CONDITIONS

References to "Adjusted EBITDA" are to net earnings after adjusting for interest, income taxes, depreciation and amortization, gains or losses on disposal of property, plant and equipment and unrealized foreign exchange losses or gains on non-current monetary items the effects of certain non-recurring and/or non-operations related items that have impacted the business and are not expected to recur, including non-recurring costs relating to business acquisitions, product rationalization costs, impairment loss on equipment and intangible assets, equity settled stock-based compensation, gain on bargain purchase of subsidiary company, fair value adjustment to MCI's inventory and deferred revenue, proportion of the total return swap realized, loss on derecognition of long-term debt and costs associated with assessing strategic and corporate initiatives. Return on Invested Capital "ROIC" is calculated by dividing Net Operating Profit After Tax by Average Invested Capital for the period. References to "Net Operating Profit After Tax" are to Adjusted EBITDA less depreciation of plant and equipment and income taxes. References to "Invested Capital" are to shareholders' equity plus long-term debt, obligations under finance leases, other long-term liabilities, convertible debentures and derivative financial instrument liabilities less cash.

Management believes Adjusted EBITDA, ROIC and Free Cash Flow (as defined below) are useful measures in evaluating the performance of the Company. "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, costs associated with assessing strategic and corporate initiatives, product rationalization costs, defined benefit expense, cash capital expenditures, fair value adjustment to MCI's inventory and deferred revenue, proceeds from disposition of property, plant and equipment, gain received on total return swap settlement, proportion of the total return swap realized and principal payments on capital leases. However, Adjusted EBITDA, ROIC and Free Cash Flow are not recognized earnings measures and do not have standardized meanings prescribed by IFRS. Readers of this presentation are cautioned that Adjusted EBITDA and ROIC should not be construed as an alternative to net earnings or loss determined in accordance with IFRS as an indicator of New Flyer'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 flow to Adjusted EBITDA, based on the Financial Statements, has been presented in Management's Discussion and Analysis of Financial Condition under the heading "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".

New Flyer's method of calculating Adjusted EBITDA, ROIC and Free Cash Flow 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 New Flyer's public filings available on SEDAR at www.sedar.com.

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