NFI Reports Record Fourth Quarter and Full Year 2025 Results

March 11, 2026

Strong quarterly performance supported a record fiscal year with profitability improvements and a closing backlog of $13.0 billion

WINNIPEG, Manitoba, March 11, 2026 (GLOBE NEWSWIRE) -- **(TSX: NFI, OTC: NFYEF, TSX: NFI.DB)** NFI Group Inc. ("NFI" or the "Company"), a leader in bus and coach manufacturing and aftermarket parts and services, today announced its audited consolidated financial results for Fiscal 2025. All figures quoted in U.S. dollars unless otherwise noted.

Fourth Quarter Highlights

- **Deliveries:** 1,233 equivalent units ("EUs"), with 27.4% being battery- and fuel cell-electric buses (“ZEBs”)
- **Revenue**: $1,025.1 million, an increase of 22.5% year-over-year
- **Gross Margin:** $174.4 million, an increase of 89.0% year-over-year, positively impacted by higher margin units being delivered from backlog[1]
- **Net Earnings:** $166.0 million, an increase of $147.5 million year-over-year
- **Adjusted Net Earnings[1]:** $59.6 million and Adjusted Net Earnings per Share[1] of $0.50, an improvement of 328.8%
- **Net cash generated by operating activities:** $118.6 million, positively impacted by the Battery Settlement, lower cash interest paid, somewhat offset by cash invested in working capital
- **Adjusted EBITDA[1]:** $121.3 million, an increase of 78.7 % year-over-year
- **Backlog[1]:** Approximately $13.0 billion (6,344 EUs firm and 8,981 EUs options), up 1.3% year-over-year on an EU basis
- **ROIC[1]:** Increased to 11.3%, up from 6.4% in 2024 Q4
- **Liquidity[1]:** $445.8 million, a $319.0 million increase from 2024 Q4, positively impacted from the Battery Settlement
- **2026 Guidance:** Revenue range of $3.9 billion to $4.2 billion, Adjusted EBITDA[1] range of $370 million to $410 million

Key financial metrics for 2025 Q4 and Fiscal 2025 are included in the table below:

in millions except deliveries and per share amounts	2025 Q4	2024 Q4	Fiscal 2025	Fiscal 2024
Deliveries (EUs)	1,233	1,180	4,451	4,547
IFRS Measures				
Revenue	$ 1,025.1	$ 837.0	$ 3,614.6	$ 3,122.3
Net Earnings (Loss)	$ 166.0	$ 18.6	$ (142.1)	$ (3.3)
Net Earnings per Share	$ 1.39	$ 0.16	$ (1.19)	$ (0.03)
Net cash generated by (used in) operating activities	$ 118.6	$ 17.5	$ 173.7	$ 15.3
Non-IFRS Measures				
Adjusted EBITDA[1]	$ 121.3	$ 67.9	$ 335.7	$ 214.4
Adjusted Net Earnings (Loss)[1]	$ 59.6	$ 13.9	$ 85.4	$ (3.4)
Adjusted Net Earnings (Loss) per Share[1]	$ 0.50	$ 0.12	$ 0.72	$ (0.03)
Free Cash Flow[1]	$ 32.9	$ 0.6	$ 67.8	$ (17.8)
Return on Invested Capital (ROIC)[1]LTM			11.3 %	6.4 %

CEO Comments

“Our record fourth quarter and full year results reflect the contribution of NFI team members across our business. During the quarter, we saw improvements in deliveries and revenue, alongside margin expansion as we converted our backlog into results. These operational gains translated into significant growth in Adjusted EBITDA[1] and Free Cash Flow[1], supporting our continued focus on deleveraging and growing liquidity,” said John

Sapp, President and Chief Executive Officer, NFI.

"In addition to our positive operational performance, the quarter was also impacted by the North American battery settlement that provided cash inflows to support our 2026 battery recall campaign, plus assets to strengthen our overall battery supply chain. We also continued to drive supply chain performance improvements, including specific actions at American Seating, with a goal to increase performance, efficiency, and reliability in 2026.

"Given our performance in 2025, we have set 2026 guidance ranges with confidence in our ability to deliver revenue growth, earnings expansion, and leverage reduction. We have taken an approach that reflects our positive underlying expectations alongside macro factors, including tariffs, supply chain performance, and the competitive environment, that may create headwinds.

"As incoming President and CEO, I've spent the last 75 days getting a deep understanding of NFI's business and establishing our priorities for the broader team. These include delivering on our 2026 guidance, increasing operational performance, strengthening our supply chain, enhancing our customer experience, and effectively managing costs while driving product and operational innovation. I'm excited about the path in front of us and believe we are extremely well-positioned to deliver significant shareholder value as we execute on our multi-year plan," Sapp concluded.

2025 North American Battery Recall & Settlement

Before year-end, NFI announced that it had signed a master settlement agreement (the "Battery Settlement") with XALT Energy, LLC and its subsidiaries (collectively "XALT") regarding costs related to the recall on Generation 3 batteries and estimated future costs associated with supporting buses operating with other types of XALT batteries (collectively the "Battery Recall") described in NFI's third quarter earnings release on November 6, 2025.

The Battery Settlement impacted both NFI's income statement and its balance sheet, with NFI recording other income of $166 million representing the total settlement amount. In aggregate, NFI has recorded an approximate 72% recovery against the original $229 million liability provision recorded in the third quarter of 2025.

Segment Results

Manufacturing

- Manufacturing revenue of $871.7 million increased by $191.8 million, or 28.2%, from 2024 Q4, reflecting the favorable product mix in Heavy-Duty Transit, including increased ZEB deliveries, and higher deliveries in both Coach and Medium-duty and cutaway segments.
- Manufacturing net earnings of $177.2 million, an increase of $161.4 from 2024 Q4, was positively impacted by higher deliveries, improved margin profile, sales mix, and the $114.5 million, net of tax, in recoveries associated with the Battery Settlement.
- Manufacturing Adjusted EBITDA[1] of $94.1 million improved by $58.9 million from 2024 Q4. The increase was primarily driven by higher deliveries, NFI converting on its strong backlog to drive improved margins, and the impact of the adjustments for non-recurring events.
- At quarter-end, the Company's total backlog[1] (firm and options) of 15,325 EUs (value of approximately $13.0 billion) increased by 1.3% on an EU basis and 1.9% on a dollar basis, from 2024 Q4.
- NFI added 1,062 EUs of new orders, supporting an LTM Book-to-Bill ratio[1] of 151.8%. The average price of an EU in backlog[1] is now approximately $0.85 million, relatively flat from 2024 Q4, reflecting continued success in new order pricing.

Aftermarket

- Aftermarket revenue of $153.4 million, decreased by 2.3% from 2024 Q4, primarily from lower program revenues, somewhat offset by increased public and private market parts sales.
- Aftermarket net earnings of $27.3 million increased by $0.1 million from 2024 Q4.
- Aftermarket Adjusted EBITDA[1] of $32.4 million decreased by $0.4 million, or 1.1%, primarily due to sales mix and the negative impact of tariffs.

Consolidated Net Earnings, Adjusted Net Earnings[1], and Return on Invested Capital[1]

- Net Earnings of $166.0 million ($1.39 per Share), compared to Net Earnings of $18.6 million in 2024 Q4, with the improvement driven primarily by the $114.5 million, net of tax, in recoveries associated with the Battery Settlement.
- Adjusted Net Earnings[1] of $59.6 million ($0.50 per Share), up $45.7 million from 2024 Q4, normalizes results to remove the impacts of the Battery Settlement, other non-recurring items, and fair market value adjustments.
- ROIC[1] increased to 11.3% from 6.4% in 2024 Q4, primarily due to increases in operating results from higher deliveries and improved margin performance, offset by a decrease in invested capital[1].

Market Outlook

Management expects improvements in revenue, gross profit, Adjusted EBITDA[1], Free Cash Flow[1], and ROIC[1] in 2026. Expectations relating to this outlook are based on the strength of NFI's backlog [1], expected increases in manufacturing production, and expectations of conversion of high-margin units from backlog, combined with single-digit growth in the aftermarket segment. Many of these factors provide support in NFI's medium-to-longer term outlook for continued financial improvements. While there are numerous positive expectations, the Company continues to navigate and adjust to current and expected future macroeconomic conditions, including tariffs, supply chain performance, the competitive environment, and government funding dynamics.

Management's overall performance expectations are driven by several key factors:

- **New Order Activity:** NFI received orders for 5,051 EUs on an LTM basis, with expectations of continued order success in 2026 reflecting strong customer demand in NFI's core markets (U.S., Canada, U.K.).
- **Market Demand:** NFI's North American Public Bid Universe remains strong with active bids of 7,120 EUs, and a five-year forecasted customer demand of approximately 25,000 EUs. NFI has also seen overall increases in market demand for public and private coaches and low-floor cutaways fueled by growing ridership, increased travel, aging fleet assets, and ongoing return to work initiatives.
- **Increasing Public Transit Ridership and Increasing Fleet Age:** Ridership levels in the U.S. continue to steadily increase, with the latest available APTA Ridership Trends Dashboard report (as of 2025 Q4) showing full-year bus ridership growth of 0.7% from 2024, with 22% growth from 2022. Overall average fleet age in North American transit also remains elevated, with APTA estimating the fleet age at 8.0 years and NFI estimating that nearly half of North American transit buses have surpassed 12 years of service.
- **Improvements in Overall Supplier Health:** NFI has continued to see a significant decline in the number of moderate and high-risk suppliers, and the Company's focus on driving supply diversification wherever possible and enhancing its supplier development program has helped support this performance improvement.

Financial Guidance

NFI provides the following financial guidance for Fiscal 2026.

$ millions	2026 Guidance
Revenue	$3,900 to $4,200
Adjusted EBITDA[1]	$370 to $410
Cash Capital Expenditures	$50 to $60

Note that the guidance numbers above include the impact of all current and known U.S. and Canadian tariffs as of March 11, 2026, but do not reflect the potential impact of tariffs that are imposed in the future. The above guidance is based on the following assumptions:

Revenue: Revenue ranges are based on NFI's firm order backlog [1], its 2026 production schedule, expected option order conversion, anticipated new in year vehicle sales, and Aftermarket parts sales. Revenue guidance reflects expectations for higher margin North American units converting from backlog into financial results, tariff-related cost increases, and lower deliveries of ZEBs as a percentage of total deliveries.

Adjusted EBITDA[1]: Adjusted EBITDA[1] range is driven by anticipated new vehicle deliveries, Aftermarket segment contributions, and anticipated improvements in operating margins from product mix and production efficiency. The guidance range also reflects geographic product mix, lower ZEB deliveries, and expected sales, general and administrative expenses.

Cash Capital Expenditures: Cash capital expenditures are based on planned investments in maintenance and growth projects. The guidance reflects the expected acquisition and disposal of property, plant and equipment, and the acquisition of intangible assets relating to such projects, but does not include expected lease payments.

Tariff Impacts

During 2025, NFI was subject to tariffs on imports of steel and aluminum in the U.S. and Canada, and tariffs on imports of goods from various international jurisdictions. In addition, NFI also began to receive updated pricing from its suppliers reflecting the impacts of tariffs on input components that its suppliers source and import into the U.S. On November 1, 2025, a new 10% tariff on all imports of buses and coaches into the United States from any jurisdiction went into effect. In February 2026, changes were made to existing International Emergency Economic Powers Act (IEEPA) tariffs, and a new global 10% tariff rate was put into place. NFI has continued to actively engage with its customers to discuss the pricing impacts of all known tariffs on buses and coaches and has been negotiating and charging surcharges to reflect the costs of those tariffs.

The guidance ranges referred to above do not take into account and may be materially adversely affected by changes to tariffs and trade policy, government funding, and supply chain performance. Tariff-driven cost increases may be more difficult to offset on future deliveries, especially within the private coach market. There may also be near-term cash flow implications on NFI's operations due to the timing of tariff payments, deliveries, and revenue collection, and potential decreases in order sizes due to higher prices. The impact that any future tariffs, U.S. funding developments, and other trade measures could have on general economic conditions, supply chain health, customer demand, and the Company's business is uncertain and could be materially adverse. In addition, there remains a risk of additional supply or operational disruptions beyond management's current expectations. See Appendix A Forward Looking Statements for a description of risks and other factors and the Company's filings on SEDAR+ at www.sedarplus.ca.

Fourth Quarter 2025 Results Conference Call

A conference call for analysts and interested listeners will be held on Thursday, March 12, 2026, at 8:30 a.m. Eastern Time (ET). An accompanying results presentation will be available prior to market open on Thursday, March 12, 2026, at www.nfigroup.com.

For attendees who wish to join by webcast, registration is not required; the event can be accessed at https://edge.media-server.com/mmc/p

/neygxypw/.

Attendees who wish to join by phone must pre-register at the following link: https://register-conf.media-server.com/register. An email will be sent to the user's registered email address, which will provide the call-in details. Due to the possibility of emails being held up in spam filters, we highly recommend that attendees wishing to join via phone register ahead of time to ensure receipt of their access details.

A replay of the call will be accessible from about 12:00 p.m. ET on March 12, 2025, until 11:59 p.m. ET on March 12, 2027, at https://edge.media-server.com/mmc/p/neygxypw/. Other materials will also be available on NFI's website at www.nfigroup.com.

About NFI Group

Leveraging 450 years of combined experience, NFI offers a wide range of propulsion-agnostic bus and coach platforms, including market leading electric models. Through its low- and zero-emission buses and coaches, infrastructure, and technology, NFI meets today's urban demands for scalable smart mobility solutions. Together, NFI is enabling more livable cities through connected, clean, and sustainable transportation.

With over 9,000 team members in ten countries, NFI is a leading global bus manufacturer of mass mobility solutions under the brands **New Flyer**® (heavy-duty transit buses), **MCI**® (motorcoaches), **Alexander Dennis Limited** (single and double-deck buses), **ARBOC**® (low-floor cutaway and medium-duty buses), and **NFI Parts** ™. NFI currently offers the widest range of sustainable drive systems available, including zero-emission electric (referring to propulsion systems that do not utilize combustion engines, such as trolley, battery, and fuel cell), natural gas, electric hybrid, and clean diesel. In total, NFI supports its installed base of over 100,000 buses and coaches around the world. NFI's common shares ("Shares") trade on the Toronto Stock Exchange ("TSX") under the symbol NFI and its convertible unsecured debentures ("Debentures") trade on the TSX under the symbol NFI.DB. News and information is available at www.nfigroup.com, www.newflyer.com, www.mcicoach.com, nfi.parts, www.alexander-dennis.com, arbocsv.com, and carfaircomposites.com.

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Footnotes:

1. Adjusted EBITDA, Adjusted Net Earnings (Loss), and Free Cash Flow represent non-IFRS measures; Adjusted Net Earnings (Loss) per Share and Return on Invested Capital ("ROIC") are non-IFRS ratios; and Liquidity and Backlog are supplementary financial measures. Such measures and ratios are not defined terms under IFRS and do not have standard meanings, so they may not be a reliable way to compare NFI to other companies. Adjusted Net Earnings (Loss) per Share is based on the non-IFRS measure Adjusted Net Earnings (Loss). ROIC is based on net operating profit after tax and average invested capital, both of which are non-IFRS measures. Book-to-Bill Ratio is a non-IFRS measure and is defined as new firm orders and exercised options divided by new deliveries. See "Non-IFRS Measures" and detailed reconciliations of IFRS Measures to non-IFRS Measures in the Appendices of this press release. Readers are advised to review the audited consolidated financial statements (including notes) (the "Financial Statements") and the related Management's Discussion and Analysis (the "MD&A").
2. Results noted herein are for the 13-week period ("2025 Q4") and the 52-week period ("Fiscal 2025") ended December 28, 2025. The comparisons reported in this press release compare 2025 Q4 to the 13-week period ("2024 Q4") and Fiscal 2025 to the 52-week period ("Fiscal 2024") ended December 29, 2024. Comparisons and comments are also made to the 13-week period ("2025 Q3") ended September 28, 2025. The term "LTM" is an abbreviation for "Last Twelve Month Period".