NFI GROUP

MARCH 30, 2020

Investor Presentation
AltaCorp Capital

WHO IS NFI?

Bus Design and Manufacture

Founded in 1930, the North American Leader in Heavy-Duty Transit buses

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

Tracing its roots to 1892 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

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

Part Fabrication

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

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

Aftermarket and Service

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

UK's leading bus parts distributor and aftermarket service support network

Supports eMobility projects from start to finish

NFI GROUP

OUR MISSION

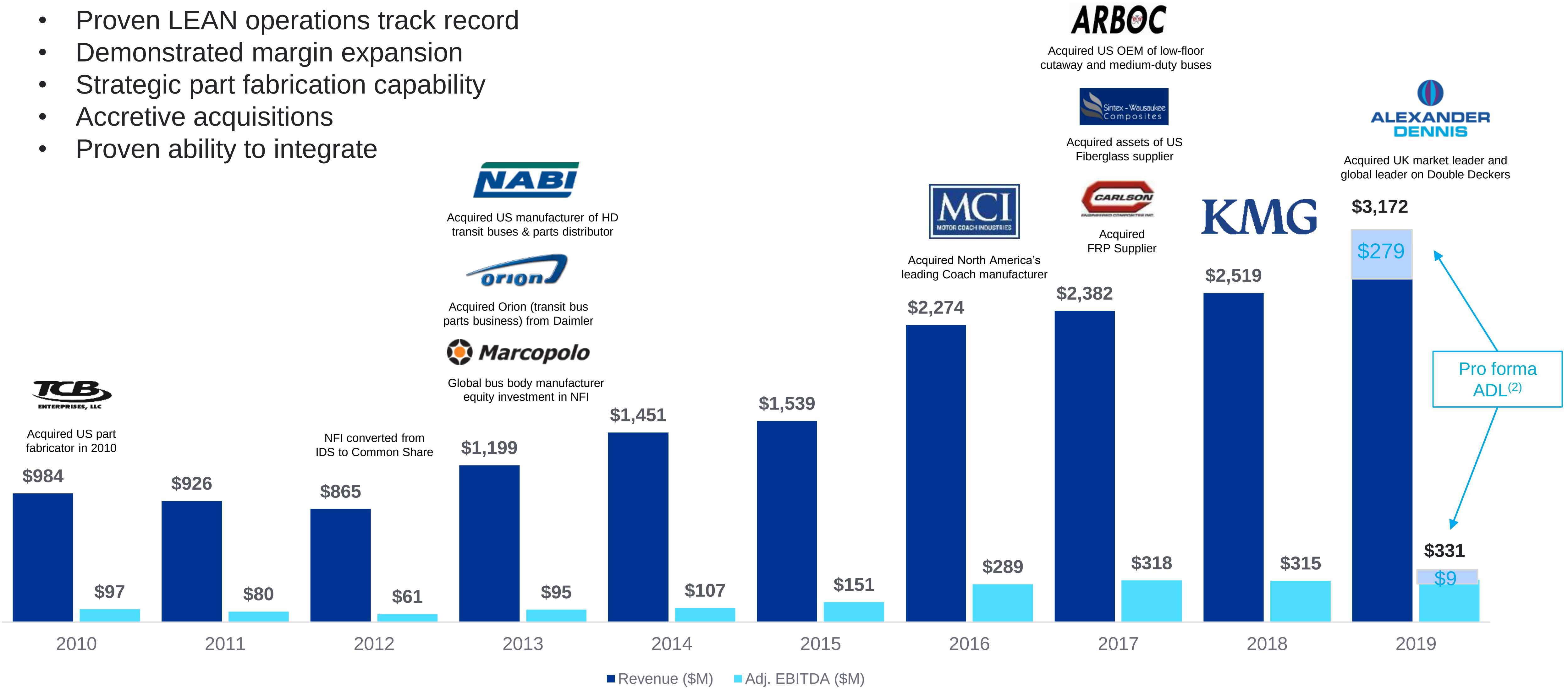
To design and deliver exceptional transportation solutions that are safe, accessible, efficient and reliable

OUR VISION

To enable the future of mobility with innovative and sustainable solutions

PROVEN STRATEGIC GROWTH AND DIVERSIFICATION

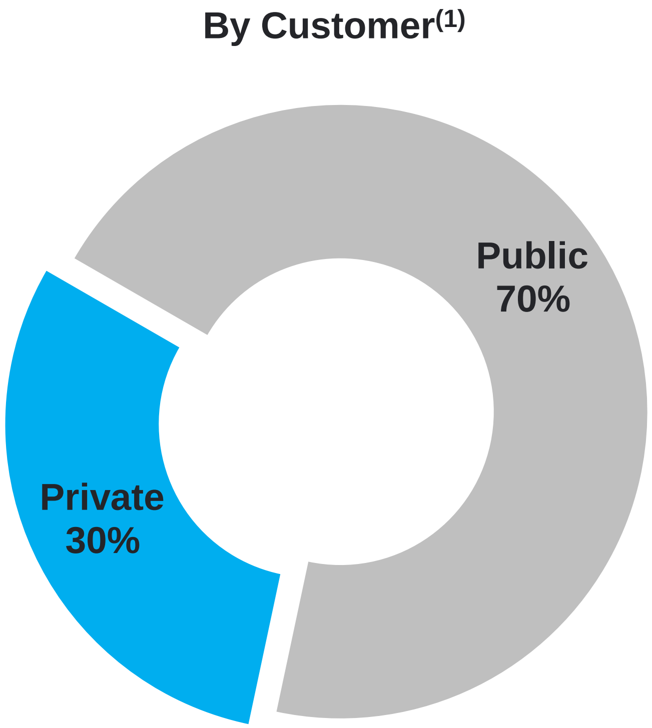
- Proven LEAN operations track record
- Demonstrated margin expansion
- Strategic part fabrication capability
- Accretive acquisitions
- Proven ability to integrate

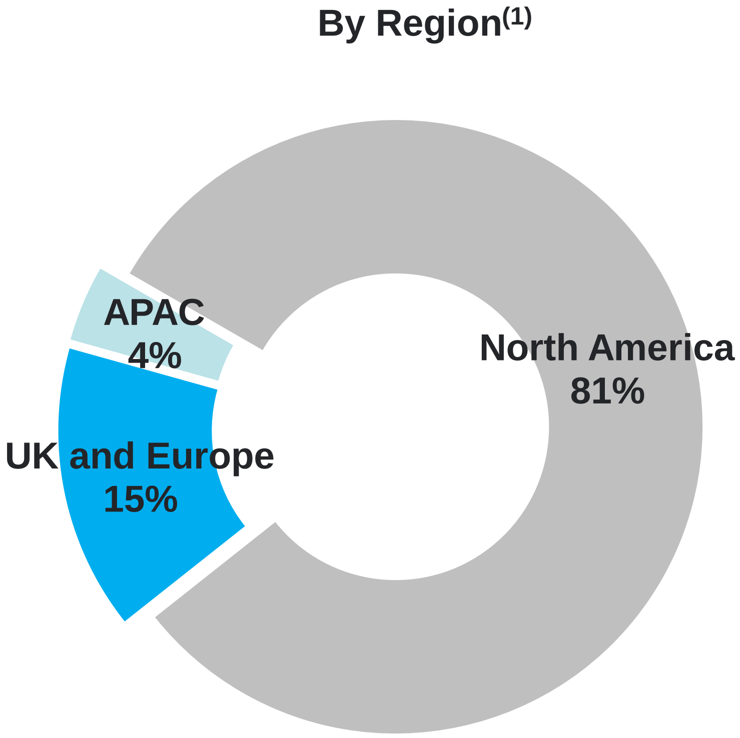


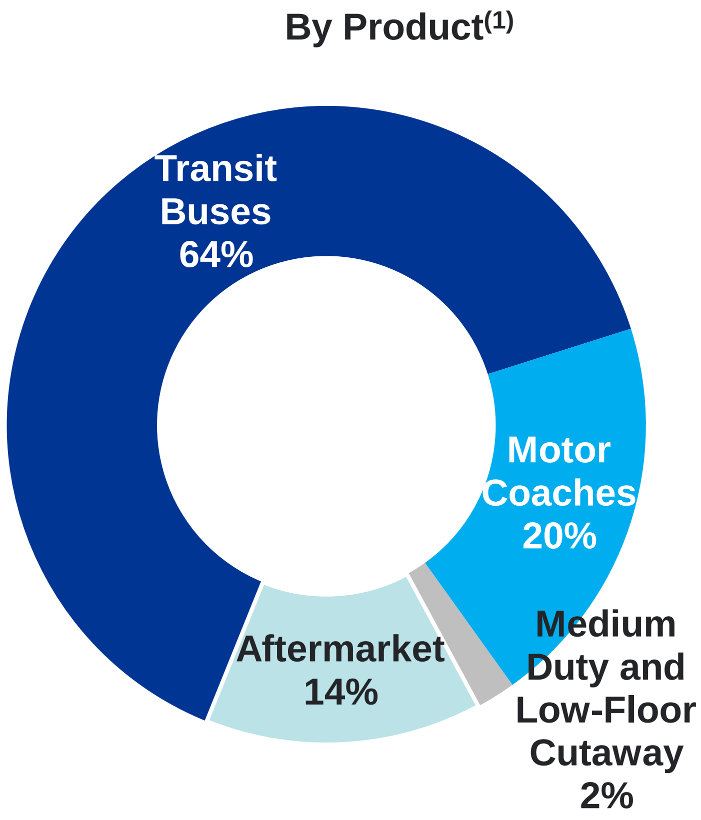
1) See "Non-IFRS measures" on Slide 16 and Forward Looking Statements on Side 17
2) Pro-forma combined business for the period December 31, 2018 to December 29, 2019. ADL information related to the periods before the Acquisition Date are based on audited financial statements of ADL provided to NFI, which 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.
3) 2019 figures reflect the adoption of IFRS 16

A DIVERSE GLOBAL BUSINESS MODEL

2019 Pro-Forma Revenue







(1) Pro-forma combined business for the period December 31, 2018 to December 29, 2019. 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.

A GLOBAL BUS BUSINESS

Canada
3 manufacturing facilities
6 parts and service facilities

USA
6 manufacturing facilities
15 parts and service facilities

Mexico
1 parts and service facility

Latin America
Strategic Partnership with
Marcopolo

United Kingdom
4 manufacturing facilities
3 parts and service facilities

Germany
1 parts and service facility

China
Zuhai - 3rd party manufacturing
Hong Kong – APAC Head Office

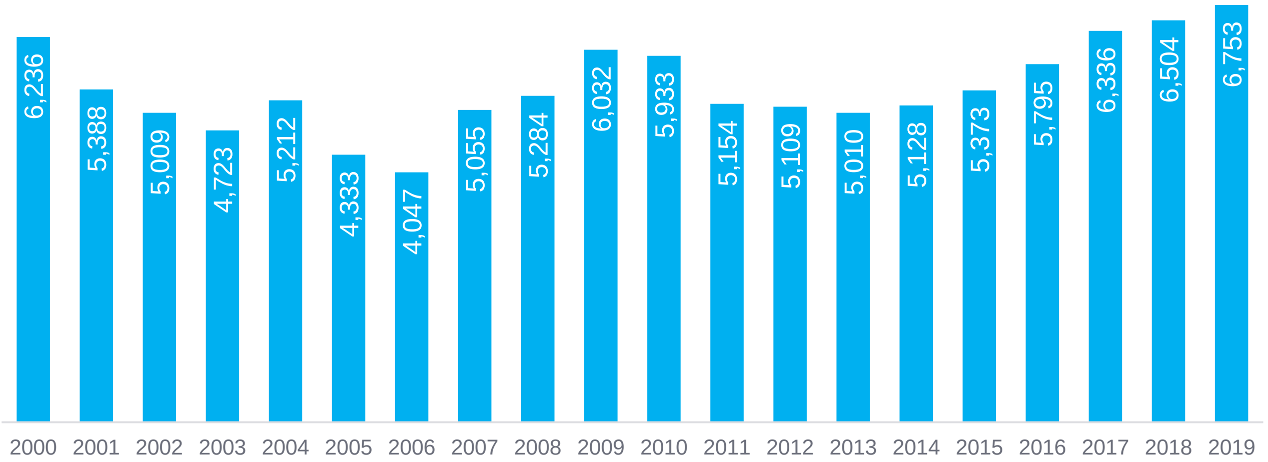
Singapore
1 parts and service facility

Malaysia
3rd party manufacturing

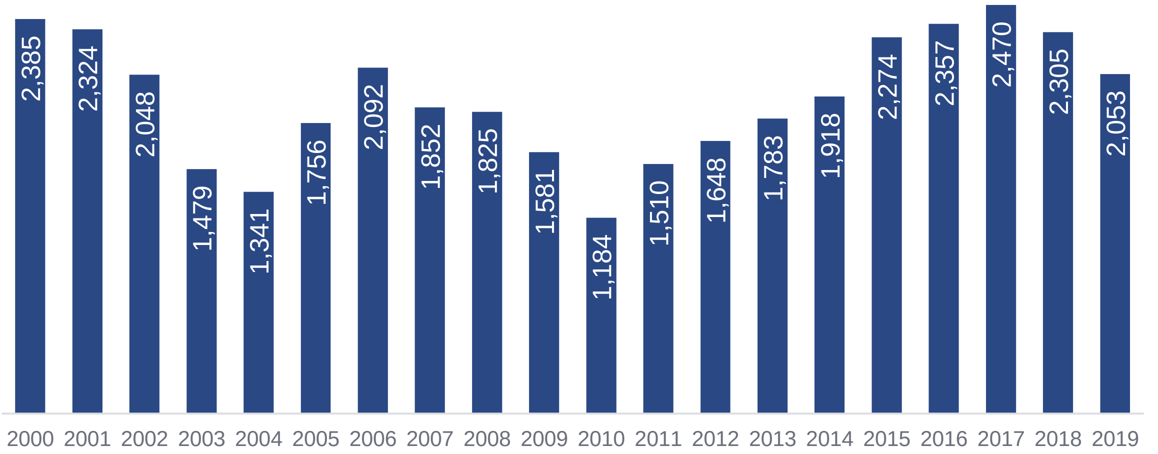
New Zealand
1 parts and service facility

NFI TARGET MARKETS

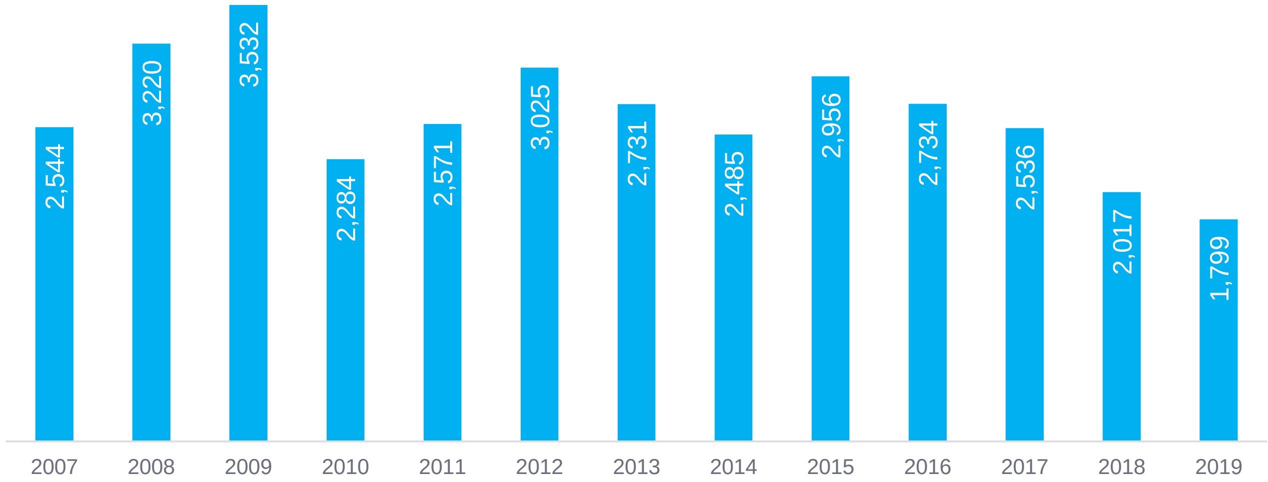
Canada and U.S. Transit Market[(1)]



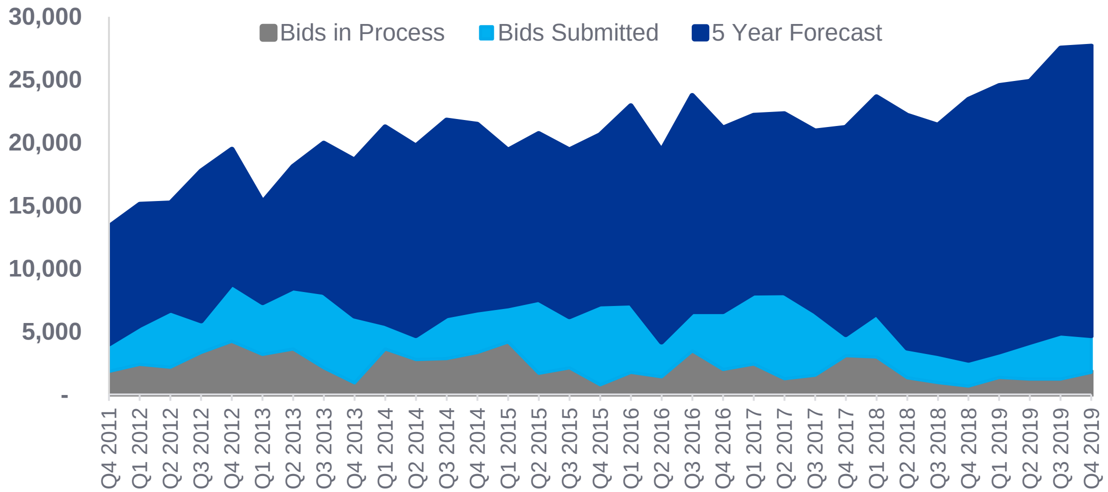
Canada and U.S. Motor Coach Market[(2)]



UK Bus and Coach Market[(3)]



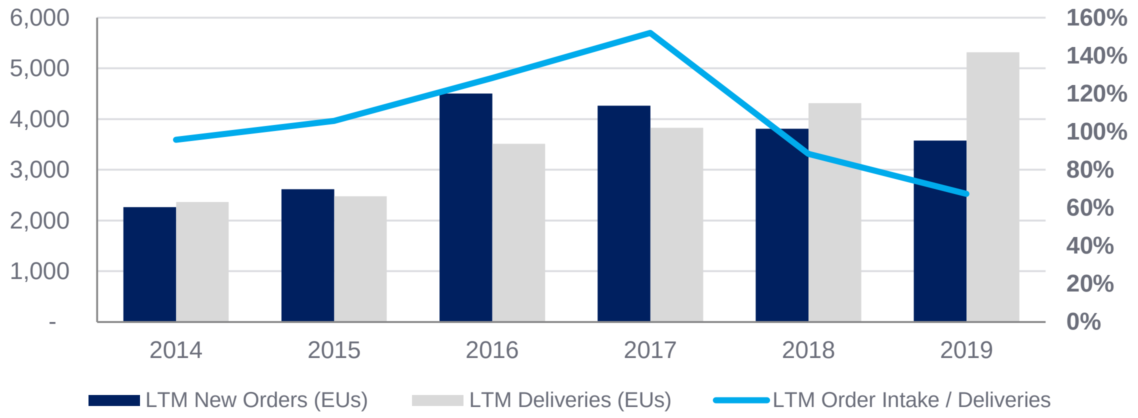
Canada and US Bid Universe[(4)]



(1) Source: Management Estimates and data reported to Metro Magazine
(2) Source: American Bus Association reported data in combination with Management Estimates
(3) Source: Society of Motor Manufacturers and Traders reported data combined with Management Estimates
(4) Source: Management Estimates and Discussions with Transit Agencies

BACKLOG IS A POSITION OF STRENGTH

Book-to-Bill (New Firm Orders plus Options Converted / Deliveries)(1)



10,742 EUs

Total Backlog at Dec. 29, 2019
(Firm Orders and Options)(1)

85%

Q4 2019 LTM
Book to Bill ratio(1)

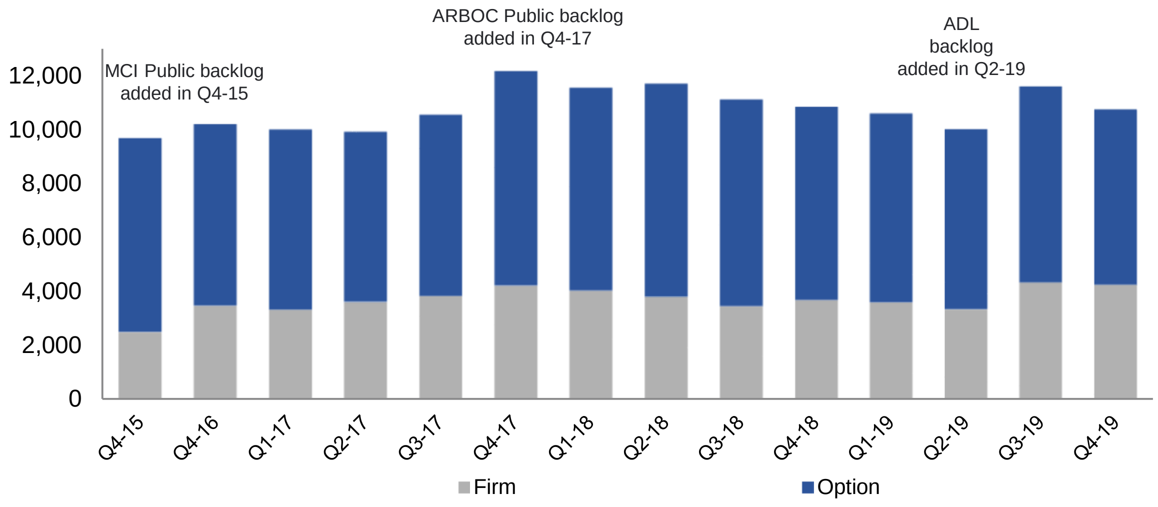
4,694 EUs

Active Bids at Dec. 29, 2019
(Bids in Process and Submitted)(1)

27,648 EUs

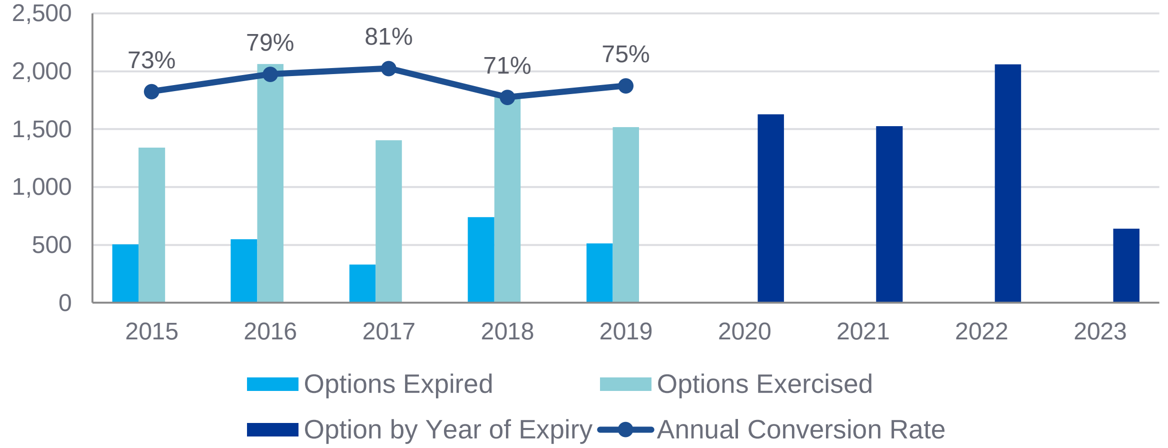
Total Bid Universe(1)

Total Backlog (Firm and Option EUs)(1)

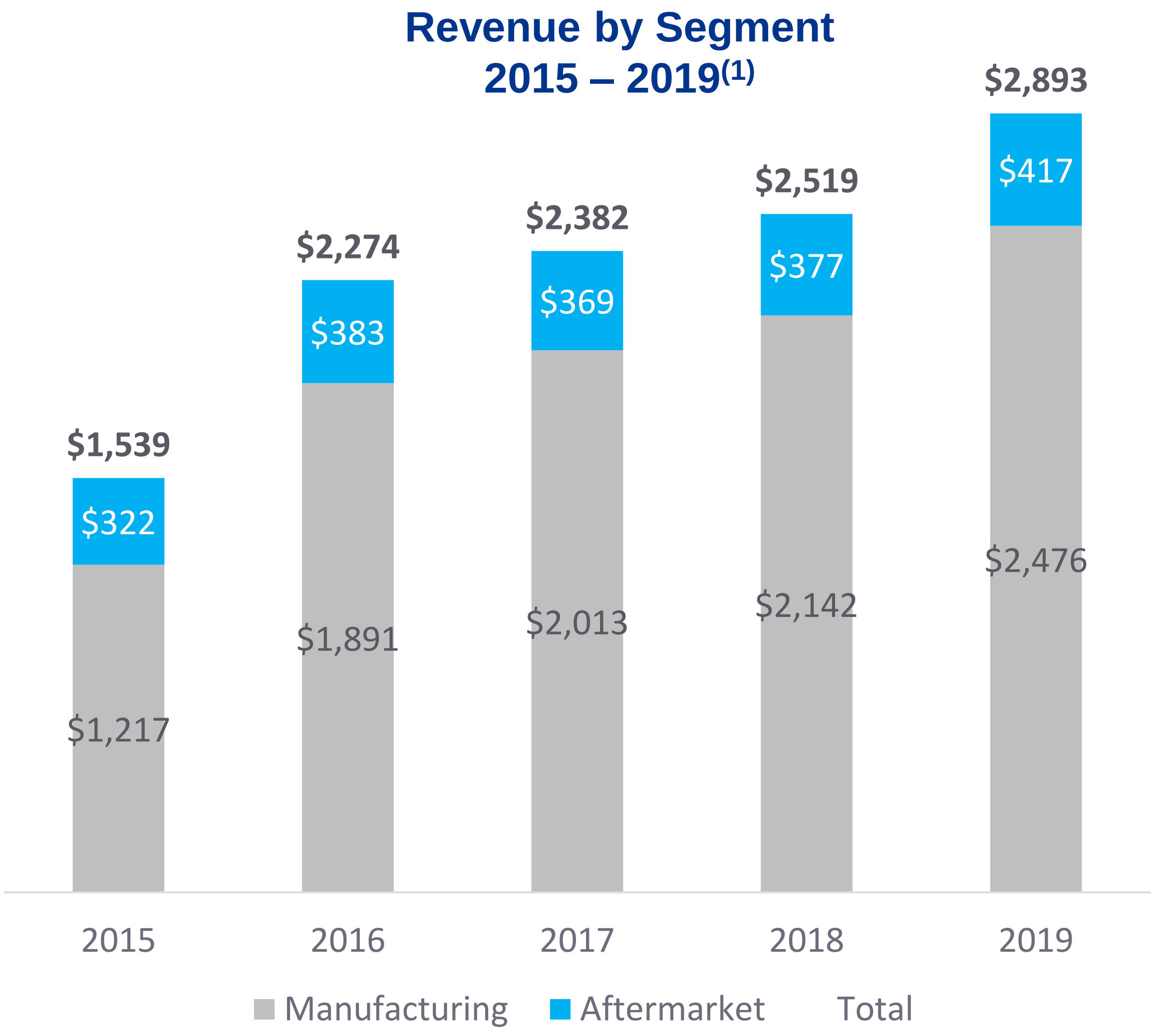


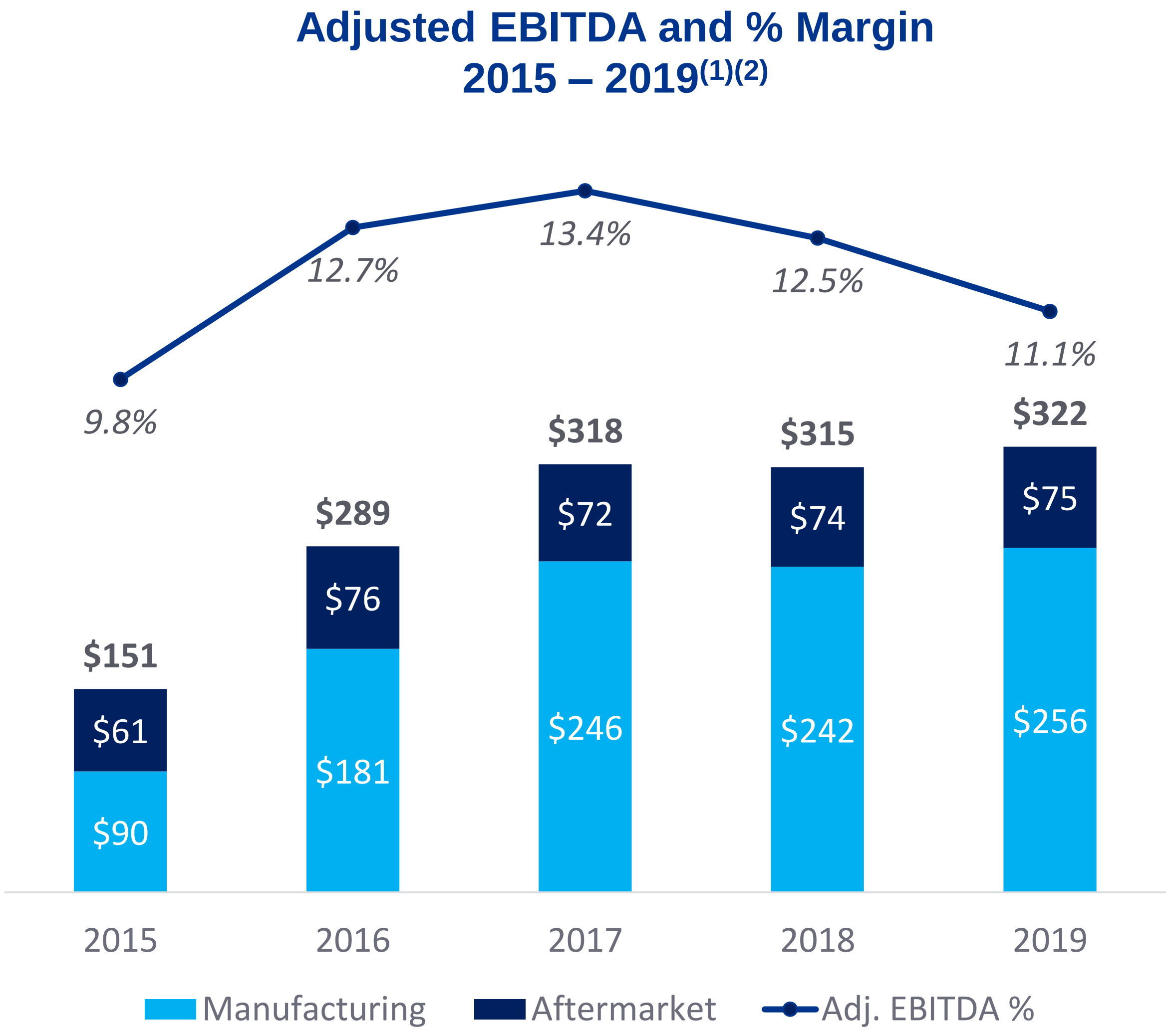
(1) Data includes ADL from the period of June 30, 2019 onwards

Option History, Conversion and Current Status (EUs)(1)



HISTORIC FINANCIAL PERFORMANCE



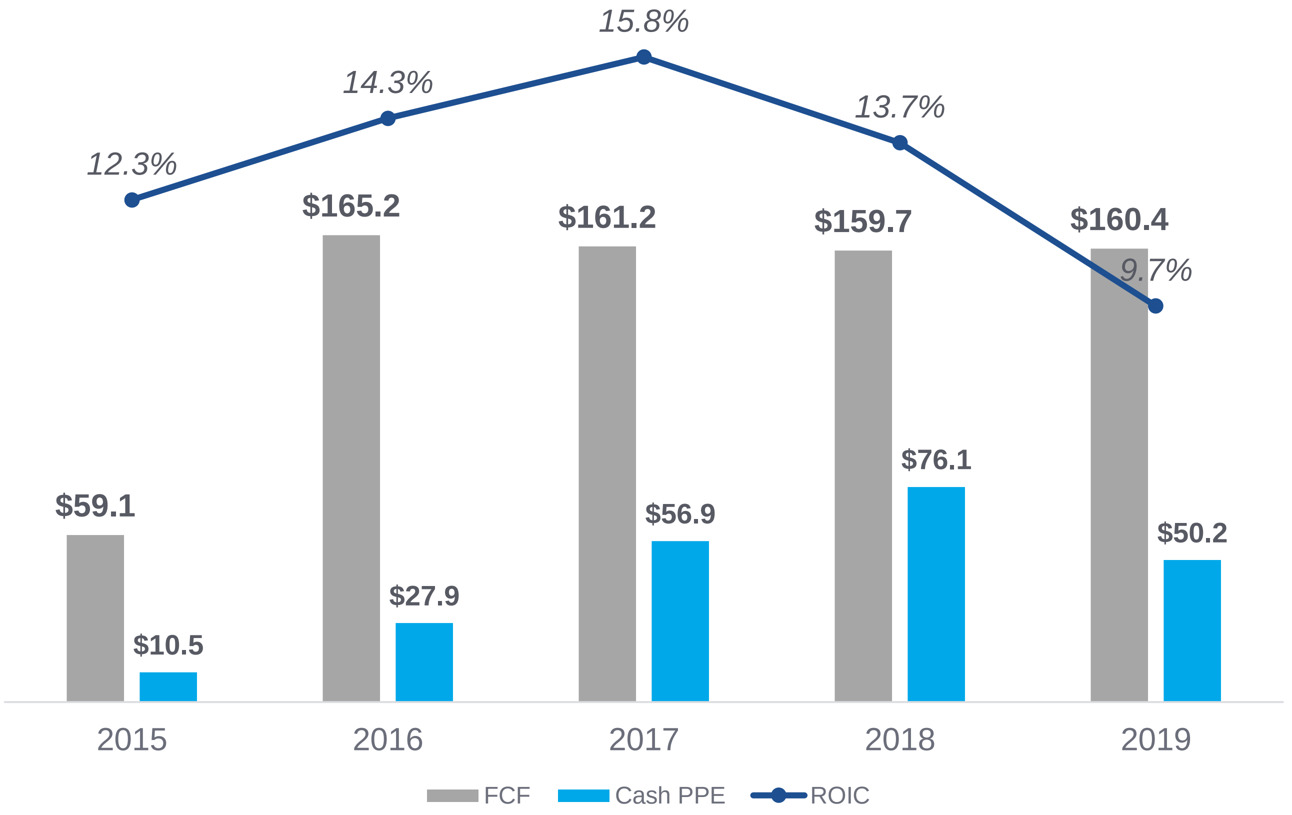


1) 2019 figures reflect the adoption of IFRS 16. ADL figures only included from the period of May 28, 2019 onwards in 2019 results
2) Management changed presentation of segmented reporting by separating unallocated costs and corporate SG&A from Manufacturing and Aftermarket as such the totals for 2019 will not tie

STRONG FREE CASH FLOW GENERATION

CASH FLOW ($MM)		
	2018	**2019[1]**
Adjusted EBITDA	$315.4	$322.2
Interest Expense	($23.5)	($50.5)
Current Income Tax	($56.3)	($61.3)
Cash Capital Expenditures plus Lease	($76.1)	($50.2)
Proceeds from disposition of property	$0.2	$0.2
Other	-	-
Free Cash Flow (USD)	**$159.7**	**$160.4**
FX Rate	1.3183	1.3180
Free Cash Flow (CAD)	**$210.5**	**$211.4**
Dividends (CAD)	$90.3	$105.5
Payout Ratio	**43%**	**50%**

Free Cash Flow, Cash Capital Expenditures and ROIC 2015 – 2019[1]



1) 2019 figures reflect the adoption of IFRS 16. ADL figures only included from the period of May 28, 2019 onwards in 2019 results

IMPACT OF COVID-19 ON THE BUSINESS

Supply Chain

Potential disruption from government mandated shutdowns and shelter-in-place rulings.

Tier 1 and Tier 2 suppliers may be impacted

Production

Production staff idled due to health and safety concerns and to allow for production coordination

Transit Deliveries

Potential for inspection and customer acceptance delays due to travel restrictions and shelter-in-place rulings. Impact is a timing issue, rather than market concern

Private Coach

Significant slowdown in private coach as customers vehicles are idled, especially in tour and charter space

Parts and Service

Continues under business as usual process – private coach parts sales likely to be impacted

IMMEDIATE RESPONSE TO COVID-19

Production Idling

- Measure to ensure health and safety of production staff
- ~85% of NFI's costs of goods are variable related to direct production
- Will continue to complete work-in-progress vehicles during production idling with focus on continuing customer deliveries
- Idling will burn down vacation accrual in most cases
- Approx. 300 permanent layoffs at MCI and Carfair
- Working with unions to achieve desired result of orderly, temporary idling

Cash Management

- Implemented freeze of Hiring and 2020 salary increases
- Suspended payment of Board Director Fees
- Capital expenditures limited to health and safety projects and some maintenance
- Temporary cut to quarterly dividend
- Temporary withholding of Executive Earned 2019 bonuses
- Enhanced working capital management with additional focus on collection of accounts receivable
- AP controls in place
- Working with transit agencies to explore advances and pre-payments during COVID-19 disruption

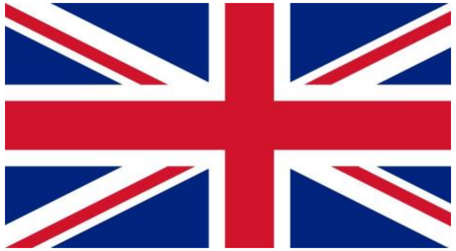
IMMEDIATE RESPONSE TO COVID-19

- **Working with Banking Partners**
  - Working with bank partners to obtain covenant relief and seek expansion of NFI's existing credit facility and/or entry into new credit facilities
- **Stress Testing**
  - Forecasting multiple scenarios – management expects current liquidity will be sufficient for businesses needs, but unknown length of COVID-19 pandemic and potential impact on timing of transit deliveries – prudent to explore additional capacity
- **Government Programs**
  - Ongoing discussions with all levels of government regarding available support and stimulus programs for NFI and our employees

GOVERNMENT SUPPORT FOR TRANSIT

- Majority of public bus procurements are 80% funded through FTA
- Announced $25B in emergency operational relief funds through the Coronavirus Aid, Relief and Economic Security (CARES) Act
- Expectations for additional stimulus funds following COVID-19 pandemic

- Liberal government platform included creation of a special fund for procurement of 5,000 electric transit and school buses over five years



- In February 2020, UK government launched National Bus Strategy with £5.1 billion in funding to upgrade bus any cycling links for every region outside of London
- Includes support for procurement of 4,000 new zero-emission buses

WHY INVEST IN NFI

Track Record

- Trusted business partner with **422 years** of combined bus and motor coach design and manufacturing experience
- 5 year Revenue CAGR of **17.1%** and Adj. EBITDA CAGR of **20.8%**
- Peer Leading[1] **11.1%** Adj. EBITDA margin in 2019
- Multi-year backlog of **10,742 EUs ($5.2B)**
- History of sustainable dividends: **13.3%** annual growth in annual dividend in 2019 with **50%** 2019 payout ratio. COVID-19 cut expected to be temporary
- Prudent capital management focused on investing in business operations, strategic acquisitions and **returning cash to shareholders** through Dividends and NCIB
- Leadership Team and Board have navigated through numerous financial cycles

Our Differentiators

- **Exclusively focused on bus & coach** with market leading positions in multiple jurisdictions
- **~70%** of revenue driven by public customers[2]
- A market technology leader with **a track record of innovation** offering all types of propulsion options
- **Vertically integrated North American part fabrication** to control cost, time and quality. Offers and margin enhancement. Opportunities to apply at ADL
- A **developing global supply chain** and scale purchasing power
- ADL's experience in **growing in new markets**

(1) Public company peer group includes: REV Group Inc., Spartan Motors Inc., Blue Bird Corporation, Oshkosh Corporation, Thor Industries Inc., Winnebago Industries Inc. and Navistar International Corp.

(2) Post-ADL is calculated on a pro-forma basis to include ADL's revenue for the period December 31, 2018 to December 30, 2019. NFI acquired ADL on May 28, 2019. See MD&A for pro-forma ADL information

NON-IFRS MEASURES

- **Adjusted EBITDA:** 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. These adjustments include gains or losses on disposal of property, plant and equipment, fair value adjustment for total return swap, unrealized foreign exchange losses or gains on non-current monetary items and forward foreign exchange contracts, costs associated with assessing strategic and corporate initiatives, past service costs and other pension costs, non-recurring restructuring costs, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, proportion of the total return swap realized, equity settled stock-based compensation, recovery of currency transactions, prior year sales tax provision, and release of provision related to purchase accounting
- **Free Cash Flow:** Defined as 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.
- **ROIC:** Defined as 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).
- **Adjusted Net Earnings:** Defined as 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.
- **Adjusted Net Earnings per Share:** Defined as Adjusted Net Earnings divided by the average number of Shares outstanding.
- **Equivalent Unit (EU):** 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.

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 press release. 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 (including the effect of demand for the Company’s products and services as a result of the impact of the COVID-19 virus on customers); 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; changes resulting from a hard exit of United Kingdom (UK) from the European Union (commonly referred to as "Brexit") and/or changes to the US Federal Funding mechanism (FAST Act) or Trade Policies may result in supply chain disruption and a potential downturn in the UK and US economies that may suppress demand; 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 (including the risk of supply disruption due to suppliers affected by the COVID-19 virus); 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.

Although the forward-looking statements contained in this press release 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 press release and NFI assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws.

NFI GROUP

MARCH 30, 2020

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