



NFI Group Announces 2018 Second Quarter Results

August 7, 2018

Summary of 2018 Q2 results compared to 2017 Q2 (U.S. Dollars except as noted):

- Revenue of \$673.0 million increased by 7%.
- Adjusted EBITDA of \$91.4 million increased by 7.4%.
- Net earnings of \$49.7 million increased by 16.1%. Earnings per Share of \$0.81 increased by 17.4% and Adjusted Earnings per Share of \$0.83 increased by 22.1%.
- Free Cash Flow of C\$63.0 million increased by 19.1%.
- Dividends declared of C\$23.6 million increased 15.7%, representing a payout ratio of 37.5%.
- Total leverage ratio of 1.89 decreased slightly from 2018 Q1 ratio of 1.90.
- Last twelve months Return on Invested Capital of 15.5% increased from 14.9%.

WINNIPEG, August 7, 2018 – NFI Group Inc., formerly New Flyer Industries Inc. (TSX:NFI) (“NFI” or the “Company”), the largest transit bus and motor coach manufacturer and parts distributor in North America, today announced its financial results for the 13-week period (“2018 Q2”) and 26-week period (“2018 YTD”) ended July 1, 2018. Year-over-year comparisons reported in this press release compare 2018 Q2 and 2018 YTD to the 13-week period (“2017 Q2”) and the 26-week period (“2017 YTD”) ended July 2, 2017. Unless otherwise indicated, all monetary amounts in this press release are expressed in U.S. dollars.

Full unaudited interim condensed consolidated financial statements and the Management’s Discussion and Analysis (the “MD&A”) are available at the Company’s website at: <https://www.newflyer.com/content/investor-relations/performance-reports/>.

2018 Second Quarter Financial Results

| | 2018 | 2017 | % | 2018 | 2017 | % |
|-------------------------------------|-------|------|--------|-------|-------|--------|
| Deliveries (Equivalent Units “EUs”) | Q2 | Q2 | change | YTD | YTD | change |
| New transit bus, coach and cutaway | 1,159 | 991 | 17.0% | 2,152 | 1,883 | 14.3% |
| Pre-owned coach | 102 | 110 | (7.3)% | 166 | 175 | (5.1)% |

Average EU selling price (U.S. dollars in thousands)

| | | | | | | |
|------------------------------------|----------|----------|--------|----------|----------|--------|
| New transit bus, coach and cutaway | \$ 481.4 | \$ 510.7 | (5.7)% | \$ 476.1 | \$ 517.7 | (8.0)% |
| Pre-owned coaches | \$ 114.7 | \$ 121.6 | (5.7)% | \$ 119.3 | \$ 117.1 | 1.9% |

Volume increased as a result of higher transit bus and motor coach deliveries and the inclusion of ARBOC cutaway deliveries. NFI acquired ARBOC Specialty Vehicles, LLC on December 1, 2017.

| Consolidated Revenue | 2018 | 2017 | % | 2018 | 2017 | % |
|--|-----------------|-----------------|-------------|-------------------|-------------------|-------------|
| (U.S. dollars in millions) | Q2 | Q2 | change | YTD | YTD | change |
| New transit bus, coach and cutaway | \$ 558.0 | \$ 506.1 | 10.3% | \$ 1,024.6 | \$ 974.9 | 5.1% |
| Pre-owned coach | 11.7 | 13.4 | (12.7)% | 19.8 | 20.5 | (3.4)% |
| Fiberglass reinforced polymer components | 4.9 | — | 100.0% | 8.8 | — | 100.0% |
| Manufacturing | 574.6 | 519.5 | 10.6% | 1,053.2 | 995.4 | 5.8% |
| Aftermarket | 98.4 | 93.9 | 4.8% | 198.5 | 190.2 | 4.4% |
| Total Revenue | \$ 673.0 | \$ 613.4 | 9.7% | \$ 1,251.7 | \$ 1,185.6 | 5.6% |

Revenue from manufacturing operations for 2018 Q2 increased by 10.6% compared to 2017 Q2. The increase primarily resulted from a 17.0% increase in new transit bus, coach and cutaway deliveries, as well as the inclusion of the revenue generated from third parties by the fiberglass reinforced polymer component operations. This increase was offset by a 5.7% decrease in new transit bus, coach and cutaway average selling price per EU in 2018 Q2 compared to 2017 Q2. Manufacturing operations revenue for 2018 Q2 of \$574.6 million is \$45.6 million higher when compared to pro forma manufacturing business revenue (which now includes ARBOC) for 2017 Q2. Similarly, revenue from manufacturing operations for 2018 YTD increased 5.8% compared to 2017 YTD. The increase in 2018 YTD revenue primarily relates to increased deliveries of 14.3% when compared to 2017 YTD offset by a decrease in new transit bus, coach and cutaway average selling price per EU in 2018 YTD of 8.0% when compared to 2017 YTD. Manufacturing business revenue for 2018 YTD of \$1,053.2 million is \$39.3 million higher when compared to pro forma manufacturing business revenue (which includes ARBOC) for 2017 YTD.

The decrease in average selling price is the result of normal volatility as well as changes in the product sales mix (which now includes ARBOC's units that have a substantially lower selling price than the average heavy-duty transit bus or motor coach).

Revenue from aftermarket operations in 2018 Q2 increased by 4.8% compared to 2017 Q2 and 2018 YTD increased by 4.4% compared to 2017 YTD. The 2018 Q2 deliveries press release issued on July 16, 2018 incorrectly stated that total shipments by NFI Parts increased by 4.8% compared to the previous quarter and increased by 1.1% compared to 2017 Q2. The release should have stated that total shipments *decreased by 1.7%* compared to the previous quarter and *increased by 4.1%* compared to 2017 Q2. The error in the press release had no impact on the reported financial results of the Aftermarket segment.

| Net earnings | 2018 | 2017 | \$ | 2018 | 2017 | \$ |
|--|----------------|----------------|----------------|----------------|----------------|------------------|
| (U.S. dollars in millions) | Q2 | Q2 | change | YTD | YTD | change |
| Earnings from operations | \$ 72.1 | \$ 70.4 | \$ 1.7 | \$ 123.8 | \$ 129.6 | \$ (5.8) |
| Non-cash gain (loss) | 0.3 | 1.3 | (1.0) | (2.8) | 2.6 | (5.4) |
| Interest expense | (6.4) | (5.9) | (0.5) | (10.1) | (9.8) | (0.3) |
| Income tax expense | (16.3) | (23.0) | 6.7 | (30.9) | (41.7) | 10.8 |
| Net earnings | \$ 49.7 | \$ 42.8 | \$ 6.9 | \$ 80.1 | \$ 80.7 | \$ (0.6) |
| Net earnings per Share (basic) | \$ 0.81 | \$ 0.69 | \$ 0.12 | \$ 1.29 | \$ 1.30 | \$ (0.01) |
| Adjusted Earnings per Share (basic) | \$ 0.83 | \$ 0.68 | \$ 0.15 | \$ 1.41 | \$ 1.27 | \$ 0.14 |

Net earnings during 2018 Q2 increased by \$6.9 million compared to 2017 Q2. Net earnings per common share of NFI ("Share") increased by \$0.12, primarily as a result of increased earnings from operations and a decrease in income tax expense as a result of U.S. tax reform. Net earnings for 2018 YTD decreased when compared to 2017 YTD by \$0.6 million primarily as a result of changes in non-recurring and/or non-operational transactions.

Management has now adopted an Adjusted Net Earnings and Adjusted Earnings per Share calculation to provide a measure of the Company's performance that is aligned with the Company's calculation of Adjusted EBITDA. Details on the calculation of Adjusted Net Earnings and Adjusted Earnings per Share can be found in the MD&A.

Adjusted Net Earnings during 2018 Q2 increased by \$8.9 million compared to 2017 Q2 resulting in an increase in Adjusted Earnings per Share in 2018 Q2 of \$0.15, primarily as a result of increased earnings from operations and a decrease in income tax expense as a result of U.S. tax reform. Similarly Adjusted Net Earnings for 2018 YTD increased by \$9.0 million when compared to 2017 YTD.

Management believes that Return on Invested Capital ("ROIC") is an important metric that can be used to assess investments against their related earnings and capital utilization. ROIC during the last twelve months ended July 1, 2018 was 15.5% as compared to 14.9% during the last twelve months ended July 2, 2017 improving primarily as a result of a decreased effective tax rate, as well as improved net operating profits.

Organizational changes to better align business functions within operating segments were made effective January 2, 2017 and implemented in two phases. In 2017, over-the-counter parts sales were moved from the manufacturing operations to aftermarket operations. In 2018 the MCI service function, comprised of technical service management and customer training, which was previously managed by the MCI aftermarket operations, was moved to the coach manufacturing operations. To improve the comparability between periods, the related prior year segment information has been restated to reflect these changes.

| Adjusted EBITDA | 2018 | 2017 | % | 2018 | 2017 | \$ |
|-------------------------------------|----------------|----------------------|---------------|-----------------|-----------------------|---------------|
| (U.S. dollars in millions) | Q2 | Q2 (restated) | change | YTD | YTD (restated) | change |
| Manufacturing | \$ 72.2 | \$ 64.5 | 11.9% | \$ 126.2 | \$ 113.0 | 11.7% |
| Aftermarket | 19.2 | 20.6 | (6.8)% | 39.1 | 43.5 | (10.1)% |
| Total Adjusted EBITDA | \$ 91.4 | \$ 85.1 | 7.4% | \$ 165.2 | \$ 156.5 | 5.6% |
| Adjusted EBITDA % of revenue | | | | | | |
| Manufacturing | 12.6% | 12.4% | 0.2% | 12.0% | 11.4% | 0.6% |
| Aftermarket | 19.5% | 21.9% | -2.4% | 19.7% | 22.9% | -3.2% |
| Total | 13.6% | 13.9% | -0.3% | 13.2% | 13.2% | 0.0% |

| Manufacturing Adjusted EBITDA per new EU delivered | 2018 | 2017 | \$ | 2018 | 2017 | \$ |
|--|----------------|----------------------|-----------------|-----------------|-----------------------|-----------------|
| (U.S. dollars) | Q2 | Q2 (restated) | change | YTD | YTD (restated) | change |
| Manufacturing Adjusted EBITDA (in millions) | \$ 72.2 | \$ 64.5 | \$ 7.7 | \$ 126.2 | \$ 113.0 | \$ 13.2 |
| New transit bus, coach and cutaway deliveries (EUs) | 1,159 | 991 | 168 | 2,151 | 1,883 | 268 |
| Manufacturing Adjusted EBITDA per new EU delivered (in thousands) | \$ 62.3 | \$ 65.1 | \$ (2.8) | \$ 58.7 | \$ 60.0 | \$ (1.3) |

Consolidated Adjusted EBITDA for 2018 Q2 increased by 7.4% compared to 2017 Q2 and for 2018 YTD increased by 5.6% compared to 2017 YTD.

The 2018 Q2 and 2018 YTD manufacturing Adjusted EBITDA increased 11.9% and 11.7% compared to 2017 corresponding periods, primarily as a result of increased deliveries, improved margins and the inclusion of ARBOC's operations. Contributors to the increase in margin included a favorable sales mix and continued cost reductions achieved through the Company's operational excellence initiatives. The manufacturing business Adjusted EBITDA per EU for 2018 Q2 was \$62.3 thousand which is \$2,800 lower per EU compared to 2017 Q2, but is \$600 higher per EU when compared to pro forma 2017 Q2 (which includes ARBOC). The manufacturing business Adjusted EBITDA per EU for 2018 YTD was \$58.7 thousand which is \$1,300 lower per EU compared to 2017 YTD but is \$1,700 higher per EU compared to pro forma 2017 YTD (which includes ARBOC).

Margins vary significantly due to factors such as pricing, order size, propulsion system, product type and options specified by the customer. Management cautions readers that quarterly Adjusted EBITDA and Adjusted EBITDA per EU can be volatile and should be considered over a period of several quarters.

The 2018 Q2 and 2018 YTD aftermarket operations Adjusted EBITDA decreased by 6.8% and 10.1%, respectively, compared to 2017 corresponding periods primarily due to sales mix and costs involved in integrating the New Flyer and MCI parts business. Aftermarket sales and margins remain difficult to forecast due to a significant portion of the business being transactional in nature, and as a result experiences significant quarterly volatility.

Liquidity

| Free Cash Flow (dollars in millions) | 2018 | 2017 | % | 2018 | 2017 | % |
|--|---------|---------|--------|----------|----------|--------|
| | Q2 | Q2 | change | YTD | YTD | change |
| Free Cash Flow (U.S. dollars) | \$ 47.8 | \$ 40.8 | 17.2% | \$ 88.5 | \$ 81.2 | 9.0% |
| Free Cash Flow (CAD dollars) | \$ 63.0 | \$ 52.9 | 19.1% | \$ 116.5 | \$ 106.6 | 9.3% |
| Declared dividends (CAD dollars) | \$ 23.6 | \$ 20.4 | 15.7% | \$ 44.1 | \$ 35.1 | 25.6% |
| Payout Ratio (Declared dividends divided by Free Cash Flow) | 37.5% | 38.6% | (2.8)% | 37.9% | 32.9% | 15.2% |

Free cash flow in 2018 Q2 increased 17.2% when compared to 2017 Q2 primarily due to increased Adjusted EBITDA. The amount of dividends declared increased by 15.7% in 2018 Q2 as a result of the increase in the annual dividend rate from C\$1.30 to C\$1.50 per Share effective for dividends declared after May 9, 2018 and additional Shares issued as a result of conversion of NFI's previously outstanding convertible debentures.

On June 11, 2018, the Company announced that the Toronto Stock Exchange ("TSX") had accepted a notice filed by the Company of its intention to implement the normal course issuer bid ("NCIB"). Purchases under the NCIB can be made through the facilities of the TSX and any alternative Canadian trading systems on which the Shares are traded. Pursuant to the NCIB, the Company is permitted to repurchase for cancellation up to 2,774,733 Shares, representing approximately 5% of the outstanding public float of Shares on June 4, 2018, to commence on June 14, 2018 until June 13, 2019, or earlier should the Company complete its repurchases prior to such date. During 2018 Q2, the Company repurchased 283,800 Shares (of which 67,400 Shares were settled and canceled after July 1, 2018) at an average price of C\$49.07 per Share for a total repurchase cost of \$8.2 million during 2018 Q2 and \$2.5 million settled after July 1, 2018.

The Company's total leverage ratio (defined as net indebtedness divided by Adjusted EBITDA) of 1.89 at July 1, 2018 decreased from the ratio of 1.90 at April 1, 2018. The Company is well within compliance with its banking covenant that requires the total leverage ratio to be less than 3.50.

Outlook

The Company's annual operating plan for the 52-weeks ending December 30, 2018 ("Fiscal 2018") is focused on maintaining and growing its leading market position in the heavy-duty transit bus, motor coach and low-floor cutaway markets and aftermarket parts distribution through enhanced competitiveness.

Management continues to expect bus procurement activity by public transit agencies throughout the U.S. and Canada to remain robust based on an aging fleet, availability of funding provided through the multi-year U.S. federal funding program "Fast Act", healthy overall economic conditions, expected customer fleet replacement plans and active or anticipated procurements. Management continues to anticipate stable private sector demand for motor coaches through 2018. While some traditional fixed route and line haul operators have seen increased competitive headwinds from reduced demand and increased competition, including new e-commerce entrants, management believes MCI remains well positioned.

The Company has successfully complied with Buy America conditions of U.S. public customers who require 65% U.S. material content in 2018 and has plans in place to achieve the 70% target by October 2019.

The Company's master production schedule combined with current backlog and orders anticipated to be awarded by customers under new procurements is expected to enable the Company to deliver approximately 4,350 EUs during Fiscal 2018. Production rates are adjusted and can vary from quarter to quarter due to product mix and contract award timing. The Company reaffirms its 2018 delivery guidance which is expected to be comprised of the following vehicle types:

| Heavy Duty Transit | Motor Coach | Cutaway and Medium-Duty | Total |
|--------------------|-------------|-------------------------|----------|
| 2,774 EU | 1,076 EU | 500 EU | 4,350 EU |

With a current healthy production schedule, low leverage, and solid liquidity, management continues to be focused on property, plant and equipment ("PPE") investment and estimates PPE expenditures for Fiscal 2018 to be in the range of approximately \$63 million to \$73 million. Spending relates to equipment maintenance as well as growth projects which management expects to generate margin enhancements consistent with its targets.

The aftermarket leadership team has developed a business strategy that is expected to address the needs of the entire diverse customer base. This new integrated organization is branded as "NFI Parts", which will maintain primary focus on supporting the original equipment manufacturer ("OEM") businesses of the Company, while also targeting new market opportunities. During the planning and execution of the integration of the New Flyer and MCI parts businesses expenses are anticipated to remain flat. After the completion of the integration management expects cost reductions to lower the operating expenses of the aftermarket parts organization, with savings anticipated later in 2018 and 2019.

Although part sales remain difficult to forecast, management expects the parts market to remain relatively stable in Fiscal 2018, with quarter-to-quarter volatility typical for this segment of the business.

Commodity Price Increases, Tariffs and Surtaxes

The Company uses aluminum, carbon steel and stainless steel in the manufacture of bus and coach frames. However, these raw materials, before processing, comprise less than 3% of total material costs. Management currently anticipates an immaterial impact for the remainder of 2018 from current market increases in aluminum and steel pricing as major components are purchased under fixed price or contract specific quotations. Management expects that any future component cost increases should be substantially recoverable through new contract pricing or through the producer price index (PPI) mechanisms in multiyear contracts.

On June 1, 2018 the U.S. federal government imposed tariffs on Canadian steel and aluminum imported into the U.S. In response the Government of Canada imposed certain surtaxes on U.S. steel and aluminum imported into Canada after July 1, 2018. The majority of the aluminum and steel used at the Company's manufacturing facilities is from U.S. sources, largely in support of the Buy America requirements of U.S. public customers. Canadian surtaxes paid on the importation of U.S. aluminum and steel used in manufacturing products at the Company's Canadian plants that are then re-exported to the U.S. are eligible for full recovery under the current Canadian federal Duty Relief and Duty Drawback Programs.

New Flyer Leadership Transition

After 10 years with the Company and more than 40 years as an executive in bus and heavy equipment industries, New Flyer President Wayne Joseph announced his retirement effective Jan 1, 2019. Wayne actively led the transformation of New Flyer with a company-wide LEAN implementation, grew the business with the successful Xcelsior® model launches followed by the integrations of NABI and ARBOC, and the launch of the Vehicle Innovation Centre.

Chris Stoddart, New Flyer's Senior Vice President of Engineering and Customer Service, has been selected to succeed Wayne as the business unit President. Chris joined New Flyer in 2007 and is currently responsible for New Product Development, Production Engineering, Product Lifecycle Management and Customer Service. Prior to joining New Flyer, Chris worked for National Steel Car as VP Engineering Services for nine years and held numerous leadership roles in Production Supervision and Process Engineering at General Motors. Chris holds a Bachelor of Science in Engineering from Kettering University and in 2017 graduated from the Advanced Management Program at Harvard Business School.

Wayne will work closely with Chris during the leadership transition and will remain connected with the Company in an advisory capacity to support growth and operational excellence initiatives.

Conference Call

A conference call for analysts and interested listeners will be held on August 8, 2018 at 8:00 a.m. (ET). The call-in number for listeners is 888-231-8191, 647-427-7450 or 403-451-9838. A live audio feed of the call will also be available at:

<https://event.on24.com/wcc/r/1797409/A714AF9E8232798B6491EFF74EF87B63>

A replay of the call will be available from 11:00 a.m. (ET) on August 8, 2018 until 11:59 p.m. (ET) on August 15, 2018. To access the replay, call 855-859-2056 or 416-849-0833 and then enter pass code number 8099301. The replay will also be available on NFI's website at www.newflyer.com.

Non-IFRS Measures

References to "Adjusted EBITDA" are to earnings before interest, income taxes, depreciation and amortization after adjusting for the effects of certain non-recurring and/or non-operations related items that do not reflect the current ongoing cash operations of the Company including: gains or losses on disposal of property, plant and equipment, unrealized foreign exchange losses or gains on non-current monetary items, fair value adjustment for total return swap, non-recurring transitional costs or recoveries relating to business acquisitions, equity settled stock-based compensation, gain on bargain purchase of subsidiary company, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, past service costs, costs associated with assessing strategic and corporate initiatives and proportion of the total return swap realized. "Free Cash Flow" means net cash generated by operating activities adjusted for changes in non-cash working capital items, interest paid, interest expense, income taxes paid, current income tax expense, effect of foreign currency rate on cash, defined benefit funding, non-recurring transitional costs relating to business acquisitions, past service costs, costs associated with assessing strategic and corporate initiatives, defined benefit expense, cash capital expenditures, proportion of the total return swap realized, proceeds on disposition of property, plant and equipment, gain received on total return swap settlement, fair value adjustment to acquired subsidiary company's inventory and deferred revenue and principal payments on capital leases. References to "ROIC" are to net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment and income taxes at the expected effective tax rate) divided by average invested capital for the last twelve month period (calculated as to shareholders' equity plus long-term debt, obligations under finance leases, other long-term liabilities, convertible debentures and derivative financial instrument liabilities less cash). References to "Adjusted Net Earnings" are to net earnings after adjusting for the after tax effects of certain non-recurring and/or non-operational related items that do not reflect the current ongoing cash operations of the Company including: gains or losses on disposal of property, plant and equipment, unrealized foreign exchange losses or gains on non-current monetary items, fair value adjustment for total return swap, non-recurring transitional costs or recoveries relating to business acquisitions, equity settled stock-based compensation, gain on bargain purchase of subsidiary company, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, past service costs, costs associated with assessing strategic and corporate initiatives and proportion of the total return swap realized. References to "Adjusted Earnings per Share" are to Adjusted Net Earnings divided by the average number of Shares outstanding.

Management believes Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings and Adjusted Earnings per Share are useful measures in evaluating the performance of the Company. However, Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings and Adjusted Earnings per Share are not recognized earnings measures under IFRS and do not have standardized meanings prescribed by IFRS. Readers of this press release are cautioned that ROIC, Adjusted Net Earnings and Adjusted EBITDA should not be construed as an alternative to net earnings or loss or cash flows from operating activities determined in accordance with IFRS as an indicator of NFI's performance, and Free Cash Flow should not be construed as an alternative to cash flows from operating, investing and financing activities determined in accordance with IFRS as a measure of liquidity and cash flows. A reconciliation of net earnings and cash flows to Adjusted EBITDA, based on the Financial Statements, has been provided under the headings

“Reconciliation of Net Earnings to Adjusted EBITDA” and “Reconciliation of Cash Flow to Adjusted EBITDA”, respectively. A reconciliation of Free Cash Flow to cash flows from operations is provided under the heading “Summary of Free Cash Flow”. A reconciliation of net earnings to Adjusted Net Earnings is provided under the heading “Reconciliation of Net Earnings to Adjusted Net Earnings”.

NFI’s method of calculating Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings and Adjusted Earnings per Share may differ materially from the methods used by other issuers and, accordingly, may not be comparable to similarly titled measures used by other issuers. Dividends paid from Free Cash Flow are not assured, and the actual amount of dividends received by holders of Shares will depend on, among other things, the Company’s financial performance, debt covenants and obligations, working capital requirements and future capital requirements, all of which are susceptible to a number of risks, as described in NFI’s public filings available on SEDAR at www.sedar.com.

About NFI Group

With nearly 6,000 team members, operating from 31 facilities across Canada and the United States, NFI is North America’s largest bus manufacturer providing a comprehensive suite of mass transportation solutions under several brands: New Flyer[®] (heavy-duty transit buses), ARBOC[®] (low-floor cutaway and medium-duty buses), MCI[®] (motor coaches), and NFI Parts[™] (parts, support, and service). NFI buses incorporate the widest range of drive systems available including: clean diesel, natural gas, diesel-electric hybrid, and zero-emission electric (trolley, battery, and fuel cell). For the fiscal year ended December 31, 2017, NFI posted revenues of U.S. \$2.4 billion. The Shares are traded on the Toronto Stock Exchange under the symbol NFI. News and information are available at www.nfigroup.com.

Forward-Looking Statements

Certain statements in this press release 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, availability of funding to the Company’s customers to purchase transit buses and coaches and to exercise options and to purchase parts or services at current levels or at all, aggressive competition and reduced pricing in the industry, material losses and costs may be incurred as a result of product warranty issues and product liability claims, changes in Canadian or United States tax legislation, the absence of fixed term customer contracts and the suspension or the termination of contracts by customers for convenience, the current U.S. federal “Buy-America” legislation may change and/or become more onerous, inability to achieve U.S. Disadvantaged Business Enterprise Program requirements, local content bidding preferences and requirements under Canadian content policies may change and/or become more onerous, trade policies in the United States and Canada (including NAFTA, tariffs, duties, surtaxes and the Canadian federal Duties Relief Program) may undergo significant change, potentially in a manner materially adverse to the Company, production delays may result in liquidated damages under the Company’s contracts with its customers, inability of the Company to execute its planned production targets as required for current business and operational needs, currency fluctuations could adversely affect the Company’s financial results or competitive position in the industry, the Company may not be able to maintain performance bonds or letters of credit required by its existing contracts or obtain performance bonds and letters of credit required for new contracts, third party debt service obligations may have important consequences to the Company, the covenants contained in the Company’s senior credit facility could impact the ability of the Company to fund dividends and take certain other actions, interest rates could change substantially and materially impact the Company’s profitability, the dependence on limited or unique sources of supply, the timely supply of materials from suppliers, the possibility of fluctuations in the market prices of the pension plan investments and discount rates used in the actuarial calculations will impact pension expense and funding requirements, the Company’s profitability and performance can be adversely affected by increases in raw material and component costs, the availability of labor could have an impact on production levels, new products must be tested and proven in operating conditions and there may be limited demand for such new products from customers, the Company may have difficulty selling pre-owned coaches and realizing expected resale values, inability of the Company to successfully execute strategic plans and maintain profitability, development of competitive products or technologies, catastrophic events may lead to production curtailments or shutdowns, dependence on management information systems and risks related to cyber security, dependence on a limited number of key executives who may not be able to be adequately replaced if they leave the Company, employee related disruptions as a result of an inability to successfully renegotiate collective bargaining agreements when they expire, risks related to acquisitions and other strategic relationships with third parties, inability to successfully integrate acquired businesses and assets into the Company’s existing business and to generate accretive effects to income and cash flow as a result of integrating these acquired businesses and assets. NFI cautions that this list of factors is not exhaustive. These factors and other risks and uncertainties are discussed in NFI’s press releases 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 the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws.

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