



Leading the **ZE**volution.™

Investor Presentation
Jun 9, 2021

Cautionary Statement

Certain statements in this presentation are “forward looking statements,” which reflect the expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. These forward-looking statements are made as of the date of this presentation and NFI assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws. See the Appendix to this presentation for more details about the forward-looking statements.

In addition, certain financial measures used in this presentation are not recognized earnings measures and do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”). Therefore, they may not be comparable to similar measures presented by other issuers. See the Appendix to this presentation and the Company's related Management Discussion & Analysis (“MD&A”) for more information and detailed reconciliation to the applicable IFRS measures.

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



Key Terms

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



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

Leading the **ZE**volution.™

Market & Technology Leader



North American Market Leader in Heavy-Duty Transit Buses and Infrastructure Solutions



North American Motor Coach Market Leader



UK Market Leader in Bus and Coach; World Leader in Double Deck Buses



North American Market Leader in Low-floor Cutaway and Medium-Duty Shuttle Buses



North American Market Leader for Bus and Motor Coach Parts Distribution

Precious Cargo: We exist **To Move People**



VISION: To enable the future of mobility with innovative and sustainable solutions.

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

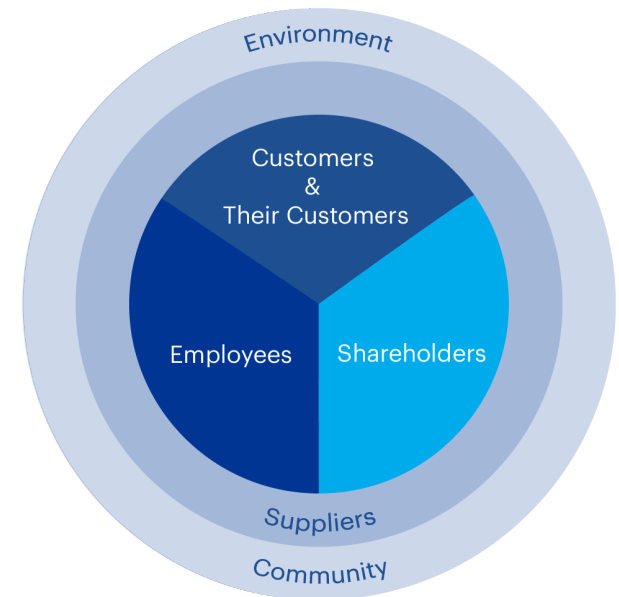
WE PLEDGE to be customer focused

WE MUST EARN the trust of those we serve and those they serve

WE FOSTER smart leadership

WE BELIEVE in sustainability

WE VALUE honest, hard work and teamwork



Our Sustainability Pledge



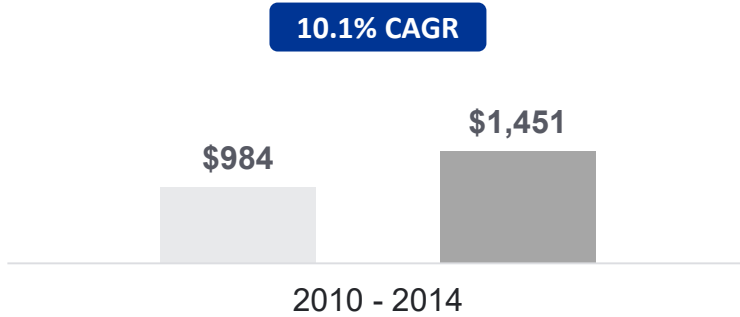
A better product.
A better workplace.
A better world.



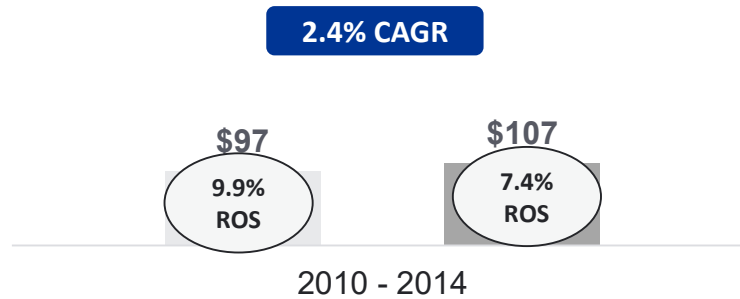
Our history builds the foundation for our future

North American Market Rationalization 2010 - 2014

REVENUE (\$M)



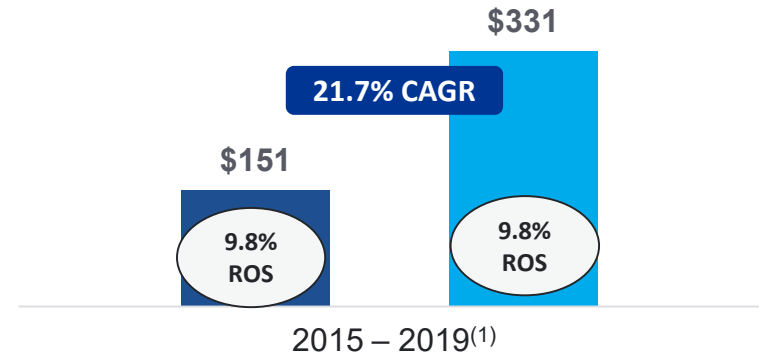
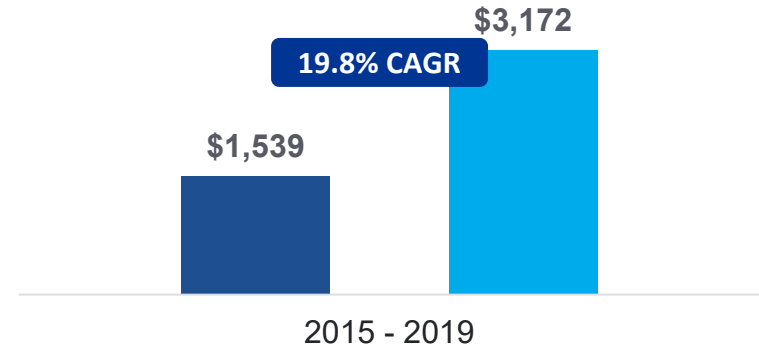
ADJ EBITDA (\$M)



Acquisitions & Initiatives



Diversification and Vertical Integration 2015 - 2019¹



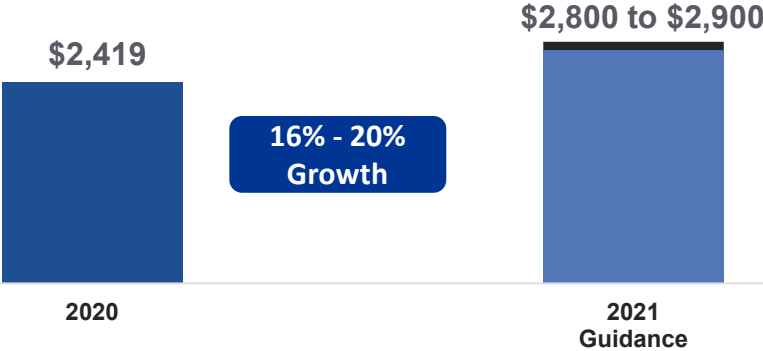
¹ 2019 Pro-Forma for a Full Year of ADL's Results. ADL was acquired on May 28, 2019

Positioned for growth and margin enhancement

Recovery, NFI Forward, and Leading the ZEvolution 2020 – 2025

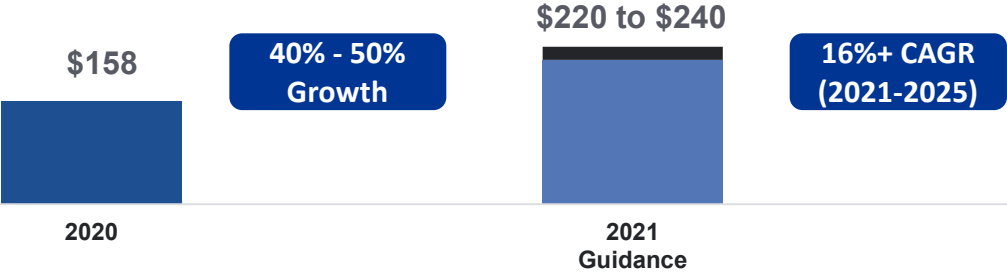
REVENUE (\$M)

\$3,900 to \$4,100



ADJ EBITDA (\$M)

\$400 to \$450



From a bus manufacturer to **solutions** provider

Infrastructure
Solutions



Buses and
Coaches



Connected Vehicles
and Diagnostics



Aftermarket,
Warranty & Service





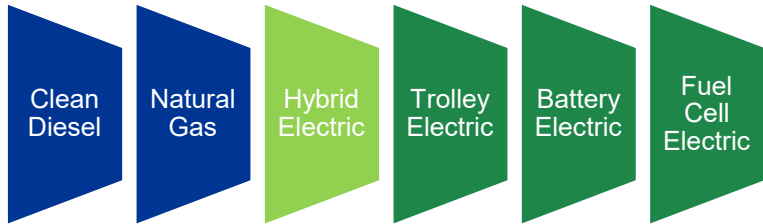
Leading the **ZE**volution.™

450+
years of bus
and coach
experience

50+
years of
electric bus
experience

13
countries with
NFI buses in
service

105k
vehicles in
service



40+ million

Electric service miles since 2015¹

1,465

ZEBs delivered since 2015²

94

ZEBs delivered in 2021 Q1 (10% of total)

80+

Cities with an NFI ZEB in service or on order

1,568

ZEBs in backlog (18% of total backlog)³

200+

chargers installed via Infrastructure Solutions™

20% to 25%

of 2021 production will be ZEBs

8,000

Annual ZEB production capacity⁴

(1) Service miles driven in North America, the UK and New Zealand; does not include electric trolleys

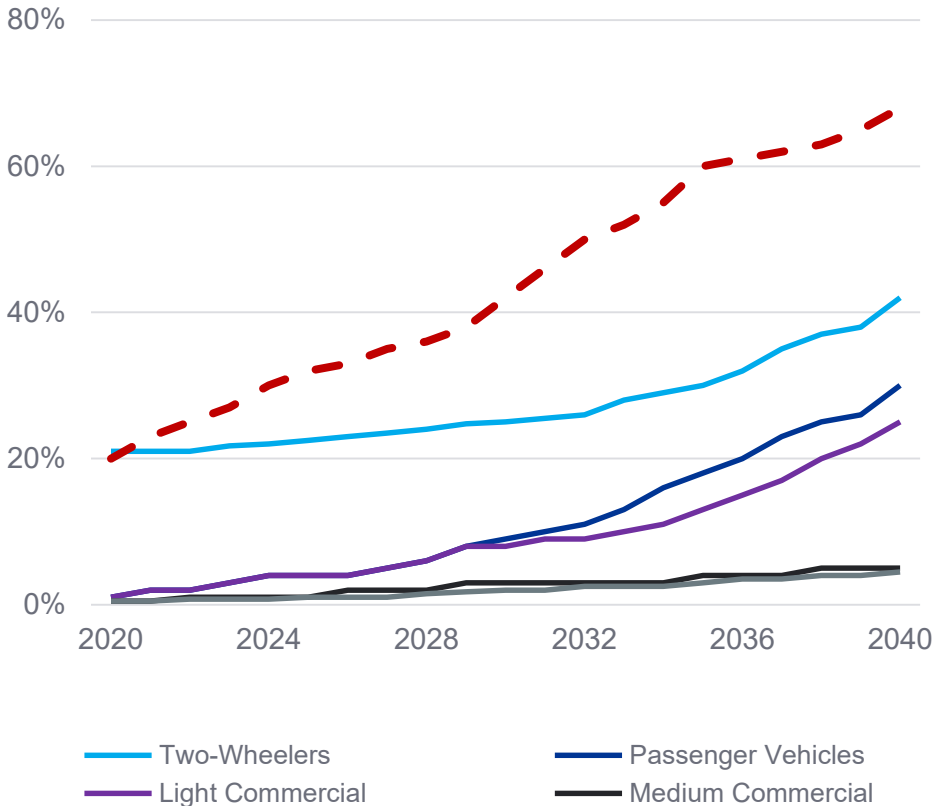
(2) Includes battery-electric, fuel-cell electric and electric trolleys

(3) Includes firm and option orders

(4) Based on capacity at NFI facilities in North America and the UK

Buses and coaches are migrating to electric propulsion and NFI will lead the transition

EV share of global vehicle fleet by segment¹



¹ Bloomberg New Energy Finance Outlook 2020

Select NFI customers comments on EV transition²



“Commitment to 100% zero-emissions by 2040”



“From 2025 onwards committed to acquiring 100% electric vehicles”



Metro

“Committed to a 100% zero-emission fleet by 2040”



King County

“Committed to 100% ZEB by 2040”



Transport for London

“By 2037 all buses across London will be zero emission”



“Ambitious goal of an all-electric fleet by 2035”

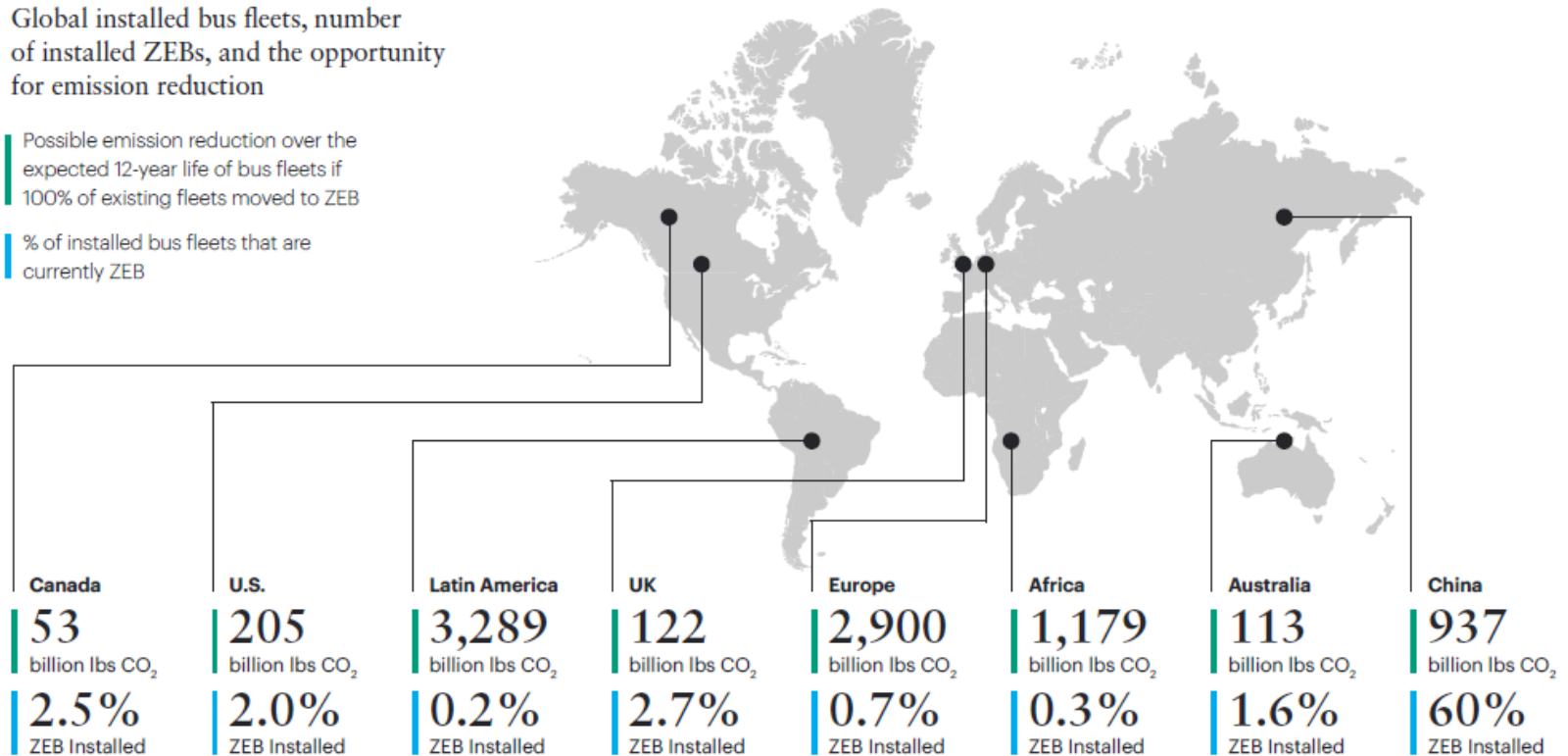
² Company websites and reports

The **ZE**volution has only just begun

Global installed bus fleets, number of installed ZEBs, and the opportunity for emission reduction

Possible emission reduction over the expected 12-year life of bus fleets if 100% of existing fleets moved to ZEB

% of installed bus fleets that are currently ZEB



Source: Sustainable Bus, ACEA, Stagecoach, Inside Climate News, PRI, Industry Week, Bus Industry Confederation, Management Estimates. Canada/US reported in Equivalent Units. Data as of end of December 2020.

If the world transitioned its bus fleets to ZEBs today...

...the combined equivalent of **~9 trillion lbs of CO₂** would be eliminated over an expected 12-year bus life.

NFI's zero-emission journey started in 1969...



BAE SYSTEMS



NEW FLYER.
INFRASTRUCTURE
SOLUTIONS™

1994
First
Compressed
Natural Gas
(CNG) bus

2005
First Diesel
Hybrid with BAE
and first Gas
Engine Hybrid

2012
First battery-
electric bus

2015
Launched NF
Connect

2018
Launched NF
Infrastructure
Solutions™



1969
First North
American
electric trolley

1998
First diesel
hybrid vehicle
produced with
Allison

2010
20 Fuel Cell
buses for 2010
Olympics

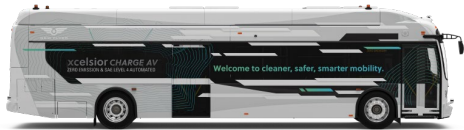
2014
First
production of
fuel-cell range
extender

2017
Opened VIC
and launched
next generation
electric-battery
bus

2019
Acquired ADL
and launched
NF Connect
360



...and continues in 2021



New Flyer Xcelsior CHARGE AV™
North America's first SAE Level 4 automated heavy-duty transit bus; zero-emission, battery-electric

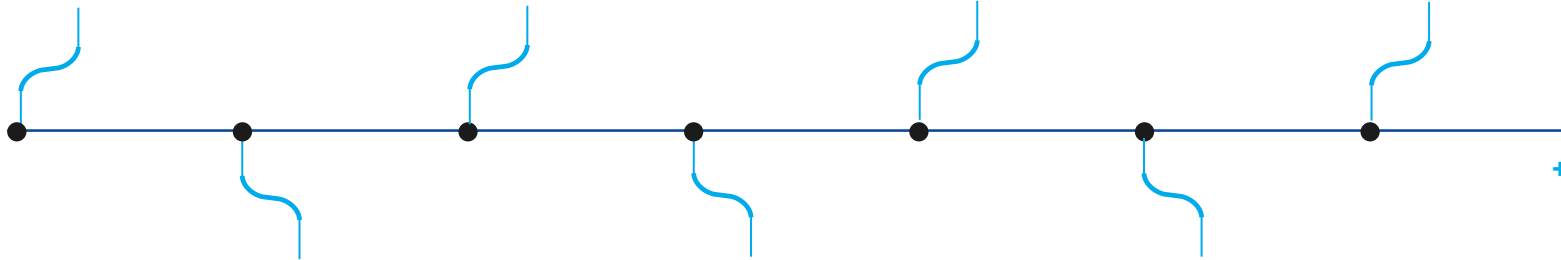
Battery Recycling Pilot
Successful launch of battery recycling pilot with Li-Cycle Corporation



ADL H2.0
Next-generation hydrogen fuel-cell electric double-deck

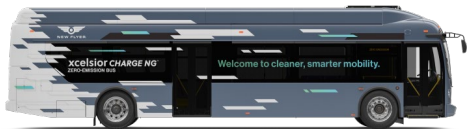


MCI D45 CRT LE CHARGE
Next-generation hydrogen fuel-cell electric double-deck



+ more to come

New Flyer Xcelsior CHARGE NG™
Next-generation, zero-emission, battery-electric transit bus



ARBOC Equess CHARGE™
Zero-emission, battery-electric, medium-duty low-floor transit



MCI J4500 CHARGE™
Zero-emission, battery-electric, luxury motor coach

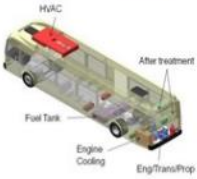


Structures designed for life with common components

All buses built on common structure

>90% of components are shared across legacy and EV platforms

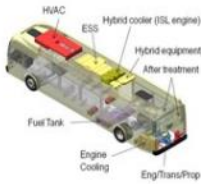
Clean Diesel



Natural Gas



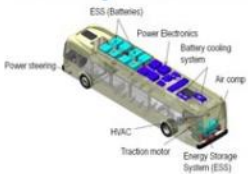
Hybrid-Electric



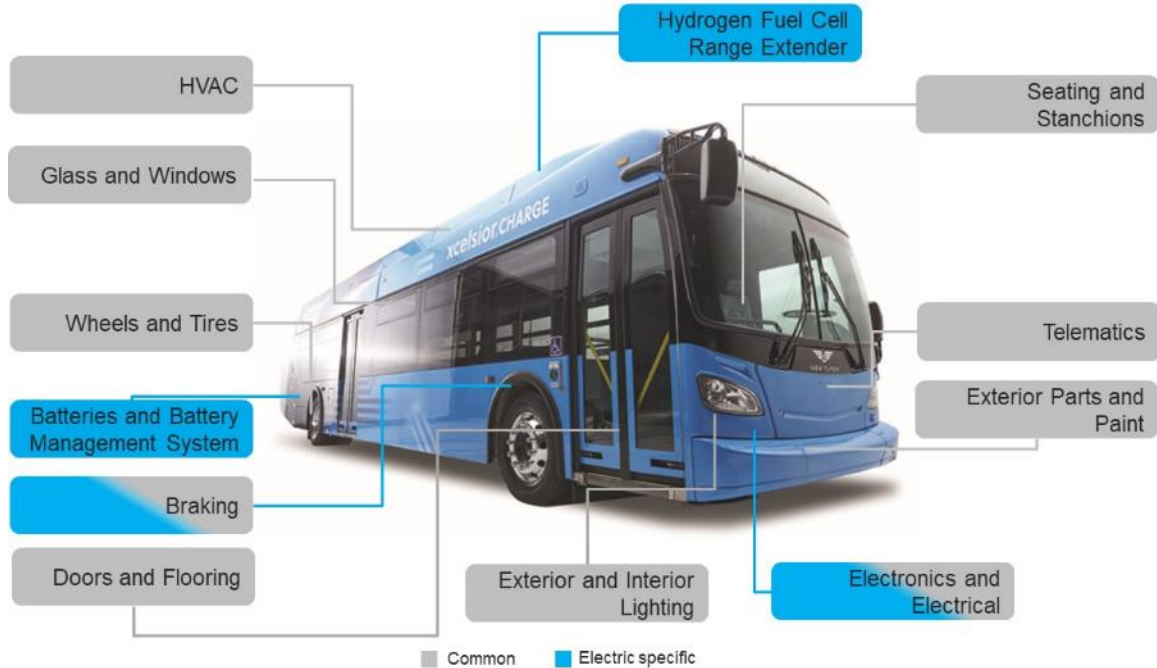
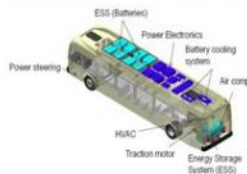
Electric-Trolley



Battery-Electric



Fuel cell-Electric



NFI has designed its production to be capable of manufacturing various propulsion formats on common platforms with shared suppliers

Industry's widest range of ZEB's already exist

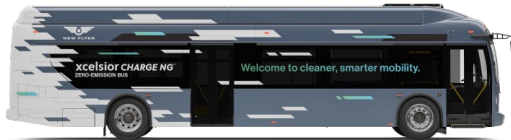
30- & 35-foot
Medium-Duty
Low-Floor Electric



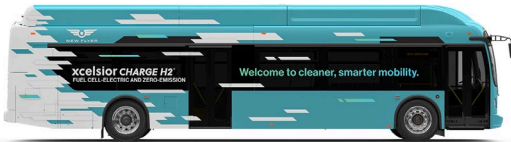
35-foot
Battery-Electric



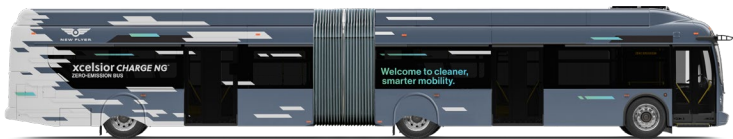
40-foot
Battery-Electric



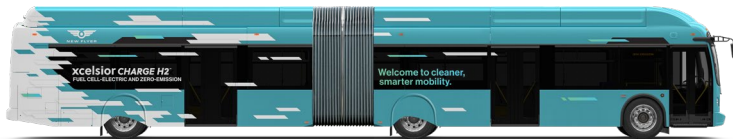
40-foot
Fuel Cell-
Electric



60-foot
Battery-Electric



60-foot
Fuel Cell-
Electric



Single-Deck
Battery-Electric



Double-Deck
Battery-Electric



Double-Deck
Fuel Cell-Electric



Motor Coach
Battery-Electric



Motor Coach
Battery-Electric
Low-Entry



The largest ZEB production capacity in North America and the United Kingdom

8,000

team members

160+

weekly production capacity

3,500,000+

sq ft of
production space

14

ZEB-capable
production facilities

2

dedicated new product
development facilities

4,371

EUs produced in 2020

20% to 25%

of 2021 production
estimated to be ZEB

35% to 40%

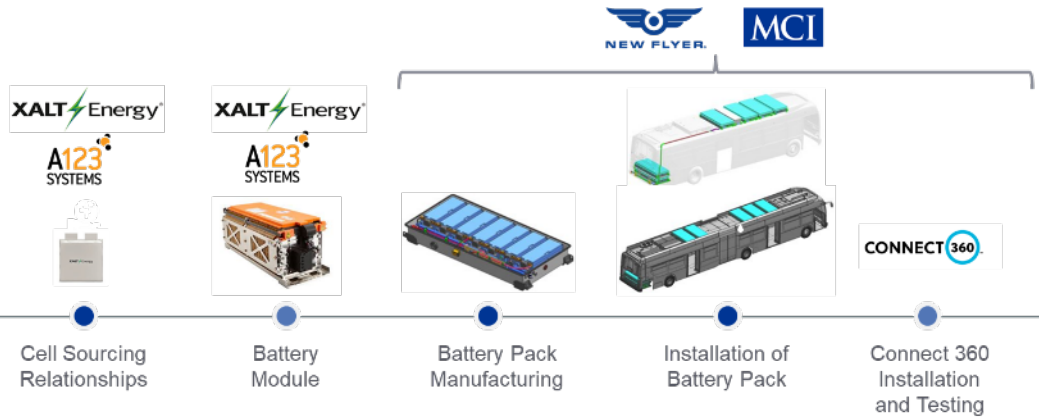
of 2025 production
estimated to be ZEB

Capable of manufacturing battery-electric, fuel cell-electric, and electric trolleys. Can produce single-deck, articulated, double-deck, medium-duty, and low-floor cutaway.



Multiple solutions and approaches to battery technology

NF and MCI's in-house battery pack production



- Continuous focus on battery market research and testing
- Remain cell agnostic to retain flexibility and the best available cells
- Significant R&D costs to develop cells and battery modules in-house
- Battery cells and modules when consolidated into battery packs drive range, performance, cycle life, charge rates and reliability
- Different use cases, on-route vs depot charging, drive decisions for cell selection

ADL – Partnership and Internal production

Chassis on body



- Since 2016, ADL and BYD have worked in partnership to develop market-leading EVs for the UK

Integrated chassis



Retain flexibility to provide the best offering to customers

Full-service offering including infrastructure, telematics and aftermarket service and support

INFRASTRUCTURE SOLUTIONS™

- Introduced in 2019 to support NFI North American Electric Bus Deployments
- Provides a cohesive transition of bus fleets to zero-emission bus technology
- Focuses on energy management optimization, as well as infrastructure planning and development

On-route



Plug-in



Depot



CONNECT 360 AD24

- Performance analytics dashboard for battery-electric buses
- Additional range capability with improved driver performance, reduced operating cost, and maximum fleet utilization
- Decision-making information to optimize charging strategies and intelligence on preserving battery energy throughout the day
- Enables Over-The-Air Software Updates



nfi.parts®

- Aftermarket support for NFI's fleet of 105,000 vehicles plus other makes and models
- Training, detailed vehicle manuals and warranty support
- Dedicated e-commerce webstores, national and international same-day shipping capabilities from 24 stocking locations
- 300+ field and technical service technicians plus 24/7 support



Unprecedented government support for zero-emission transit



5,000 buses to be replaced
(transit)

\$17.6B of overall **\$101.4B** in new spending for a “green recovery”
(Apr 2021 Budget 2021)

\$14.9B transit funding program
(Feb 2021 announcement)
(\$2.75B) of which is dedicated to zero-emission transit in 2021-2026)

\$1.5B CIB financing to support ZEBs and charging infrastructure
(Oct 2020 announcement)

2021 Announced Target:
40% to 45% GHG emission reduction
from 2005 levels by 2030



50,000 buses to be replaced
(transit + school; American Jobs Plan goal)

President’s FY22 Budget Request includes **\$88B** to the U.S. DOT, including **\$13.5B** for transit; largely in addition to the **\$2.25T** American Jobs Plan, an 8-year investment package that includes **\$85B** to modernize existing transit, and **\$174B** “to win the EV market”, and more (2021)

\$547B FY21 INVEST in America Act provides **\$109B** for transit over a five-year period; **5x** increase for ZEB and related infrastructure procurement (2021)

\$303.5B Senate EPW Committee surface transportation reauthorization bill is 34% higher than funding levels under FAST Act

2021 Announced Target:
50% to 52% GHG emission reduction
from 2005 levels by 2030



4,000 buses to be replaced
(transit)

Ten Point Plan for a Green Industrial Revolution
(Nov 2020)

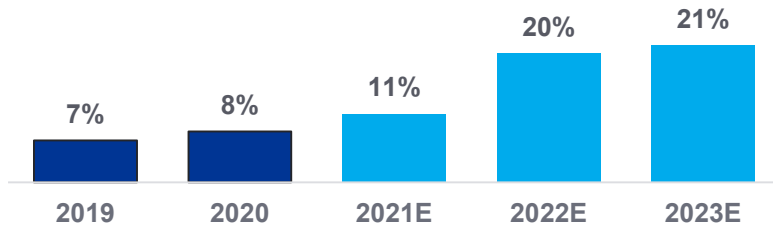
£5.0B transit & cycling funding program (Feb 2020)

£50 million SULEB (Scottish Ultra-Low Emission Bus Scheme)
(Part-funded 172 ZEB proposals with ADL as intended supplier)

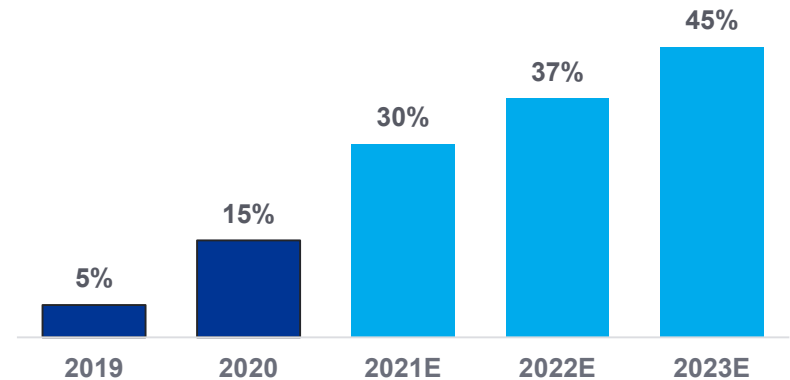
2021 Announced Target:
78% GHG emission reduction
from 1997 levels by 2035

Projected market adoption rates of ZEBs¹ highlight transition will take time

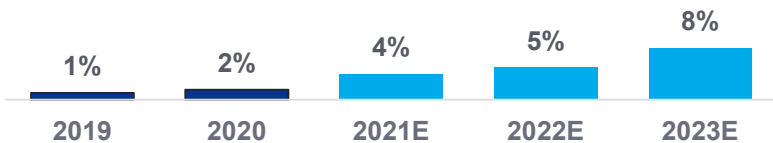
North American Heavy-Duty Transit



UK Transit



North American Coach



North American Cutaway



¹ Percentage of annual deliveries based on management estimates

If the adoption rate increases, NFI is already there

NFI is pioneering automated bus technology

New Flyer Xcelsior AV™

North America's first SAE Level 4 (SAE J3016) Automated Heavy-Duty Transit Bus



Launched January 2021

ADL's Automated Double Deck

UK's first Automated Heavy-Duty Transit Bus; pilot project with leading customer Stagecoach for depot applications



Launched Glasgow, Scotland pilot in 2019

2021 Q1: Income Statement and Balance Sheet

2021 Q1 Performance

	<u>2020 Q1</u>	<u>2021 Q1</u>
Sales	\$710.4M	\$574.1M
Adjusted EBITDA ¹	\$56.0 7.9% ROS	\$54.8 9.6% ROS
EPS (reported)	(\$1.08)	\$0.11
EPS (Adjusted) ¹	(\$0.01)	\$0.09

2021 Q1	Revenue	Adjusted EBITDA ¹
Manufacturing	\$459.2M	\$35.8M
Aftermarket	\$114.9M	\$22.5M
Corporate	—	(\$3.5M)

2021 Q1 Cash Flow & Liquidity

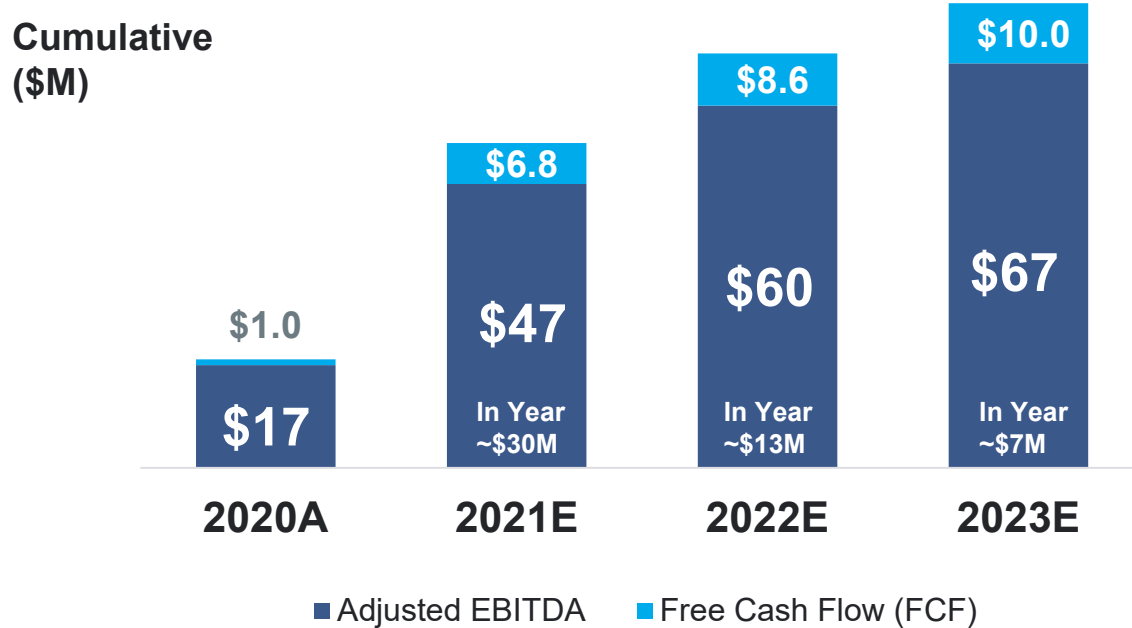
Cash Flow (\$M)		
	<u>2020 Q1</u>	<u>2021 Q1</u>
Adjusted EBITDA	\$56.0	\$54.8
Interest Expense	(\$14.4)	(\$16.7)
Current Income Tax	(\$16.9)	(\$12.3)
Cash Capital Expenditures plus Lease	(\$10.6)	(\$12.7)
Proceeds from disposition of property	\$0.1	\$2.3
Other	-	\$0.1
Free Cash Flow (USD)¹	\$14.2	\$15.5
FX Rate	1.3977	1.2576
Free Cash Flow (CAD)¹	\$19.8	\$19.4
Dividends (CAD)	\$13.3	\$15.1
Payout Ratio	67.2%	77.8%

Liquidity ¹		
	<u>2020 Q1</u>	<u>2021 Q1</u>
Liquidity¹	\$146.6	\$319.0

(1) Non-IFRS Measure. See Cautionary Statement and Slide 17

NFI Forward Update

Timing for 2020-2023 Benefits



All NFI
Forward
Initiatives
**At or Above
Targets**

**Cash Flow on
Track for
\$10M+**

Continued NFI Forward progress in 2021 Q1:

- \$11.6 million in Adjusted EBITDA savings, and an additional \$0.8 million in annualized Free Cash Flow generation

2021 Guidance - Reaffirmed

Revenue

\$2.8 billion to \$2.9 billion

ZEBs expected to make up 20% to 25% of 2021 manufacturing revenue

- Driven by market recovery in NA Bus and Coach and UK transit
- Continued growth of ARBOC in cutaway and medium-duty markets
- ADL's international expansion in Europe and APAC
- Pandemic-related supply challenges not causing material impact; continue to monitor with suppliers

Adjusted EBITDA

\$220M to \$240M

- Expecting Private markets won't begin to return to pre-COVID levels until 2023
- Significant volume drop-through with cost base reductions generated from NFI Forward initiative

Cash Capex including NFI Forward

\$50M

- Estimating \$35M for maintenance capex
- Remainder for NFI Forward and other smaller growth projects

Seasonality

2021: Q2 significantly higher, Q3 flat to slightly down, Q4 higher

- On a year-over-year basis:
 - 2021 Q2 expected to be significantly higher
 - 2021 Q3 expected to be flat to slightly down
 - 2021 Q4 expected to be higher
- 2021 Q1, Q2 and Q3 will be 13-week periods, while Q4 will be a 14-week period

Management reaffirms its 2021 financial guidance for Revenue, Adjusted EBITDA, and Cash Capital Expenditures; updating tax and seasonality

NFI Adjusted Effective Tax Analysis

	<u>2021 Q1</u>
Adj. EBITDA	\$54.9M
D&A	\$24.6M
Interest Expense	\$17.7M
Adj. EBT	\$12.5M
Tax Variable	\$1.9M
Tax Fixed	\$4.5M
Total Adjusted Tax	\$6.4M
<i>ETR Adjusted</i>	<i>51.4%</i>
Adj. Net Income	\$6.1M
Shares (wt. avg)	~65M ¹
Adjusted EPS	\$0.09

Components of Tax

*Tax Variable = 21% to 23%



Tax Fixed (Annual) = \$18M to \$22M

Variable and Fixed components of tax creates challenges in quarterly rate and timing of expense recognition

*Variable tax is based on full year projection. Quarterly % may vary depending on discrete tax items

(1) The weighted average number of Shares outstanding for 2021 Q1 was 65,036,019

Longer-term financial targets for 2025

Revenue

\$3.9 billion to \$4.1 billion

ZEBs expected to make up 35% to 40% of manufacturing revenue

- Driven by market recovery in NA Bus and Coach and UK transit
- Continued growth of ARBOC in cutaway and medium-duty markets
- ADL's international expansion in Europe and APAC

Adjusted EBITDA

\$400M to \$450M

- Private markets begin to return to pre-COVID levels in 2023
- Significant volume drop-through with cost base reductions generated from NFI Forward initiative
- Viewed as conservative target

ROIC

>12%

- Adj. EBITDA performance combined with realizing upon benefits of investments made in facilities, products, acquisitions
- Potential tax upside may drive higher ROIC

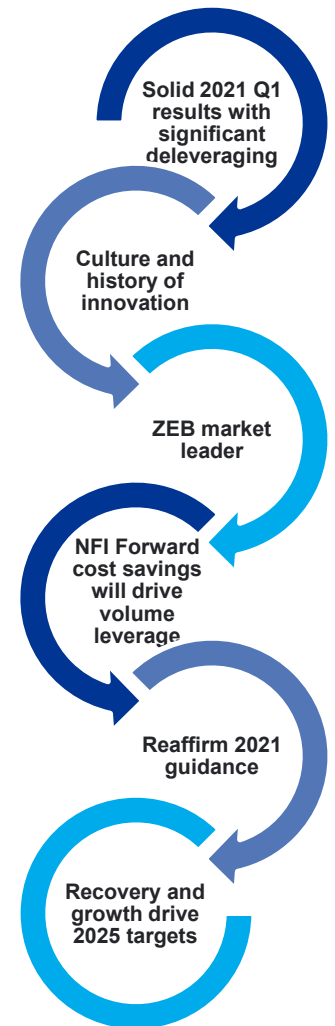
Capital allocation priorities

- 1 DEBT MANAGEMENT & LEVERAGE REDUCTION**
- 2 INVEST IN HIGHEST RETURN PROJECTS:** EPS expansion comes from funding highest ROIC projects
- 3 DIVIDENDS:** Provide dividends to shareholders, as we have since 2005
- 4 ACQUISITIONS:** Continue to acquire companies that provide diversification, channel expansion, technology, and geography advantages
- 5 SHARE REPURCHASE (NCIB):** Depends on stock price to value

Focused approach to drive value creation

NFI investment thesis

- ✓ Market dynamics position bus and coach transition to EV; NFI is the industry's leader with the deepest customer relationships and in prime position to capitalize on the zero-emission evolution (*ZEvolution™*)
- ✓ Unprecedented government support in all core markets with commitments to replace 59,000 buses (transit and school) with zero-emission vehicles
- ✓ NFI was built through decades of investment, innovation and product development
- ✓ NFI has the largest manufacturing capacity (8,000 EUs annually), largest installed fleet and most reliable aftermarket network
- ✓ NFI is a turnkey mobility solutions provider supporting the transition from legacy to EV propulsion: infrastructure solutions, vehicles, telematics, parts support
- ✓ Today, NFI's Backlog is 5.8% ZEBs, and 30% of our total Public bid universe is ZEBs, driving profitable growth
- ✓ Management is positioning NFI for market recovery with a streamlined, leaner operation to drive volume leverage through NFI Forward
- ✓ Reaffirmed revenue, Adj. EBITDA and capex guidance for 2021. Longer-term targets for 2025 highlight strong annual growth: Adjusted EBITDA \$400M to \$450M, with 35% to 40% of production coming from ZEBs



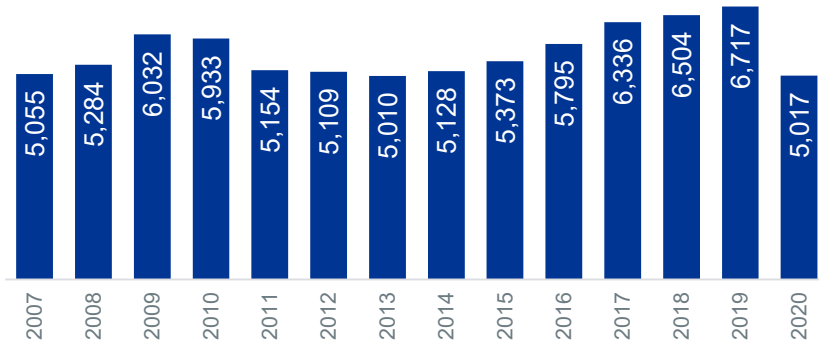


• Appendices

Core markets annual deliveries

North American Heavy-Duty Transit¹

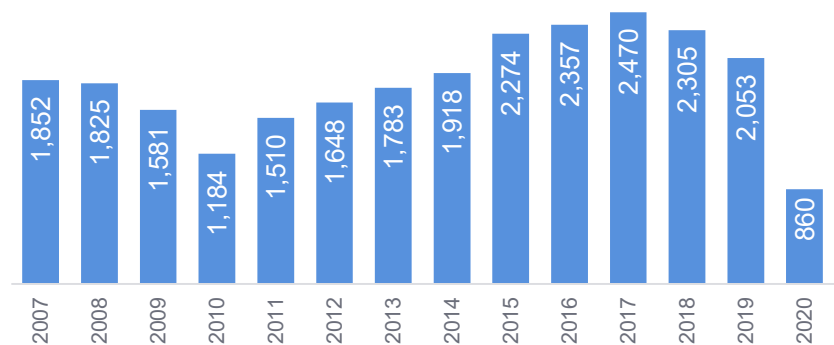
NFI's 2020 Market Share: **43%**



(1) Metro Magazine and Management Estimates. Deliveries in equivalent units.

North American Motor Coach (public and private)²

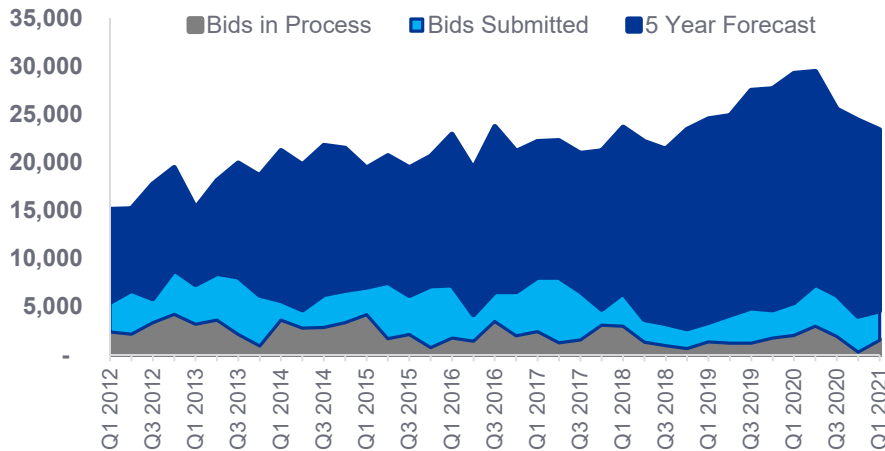
NFI's 2020 Market Share: **74%**



(2) Source: American Bus Association

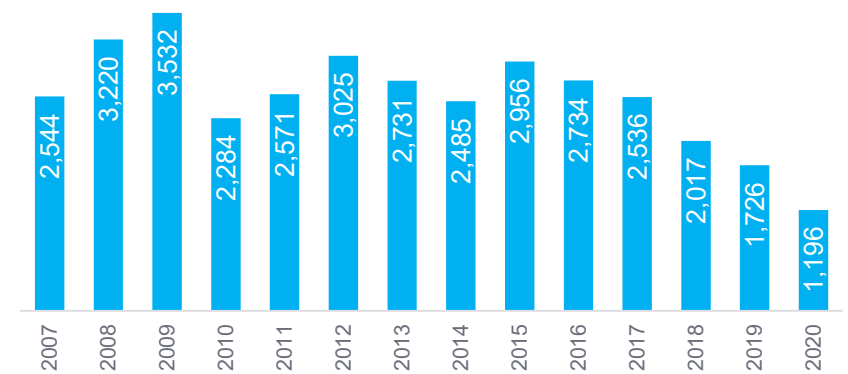
North American Public Bid Universe (public)³

■ Bids in Process ■ Bids Submitted ■ 5 Year Forecast



United Kingdom Bus & Coach (public and private)⁴

NFI's 2020 Market Share: **75%**

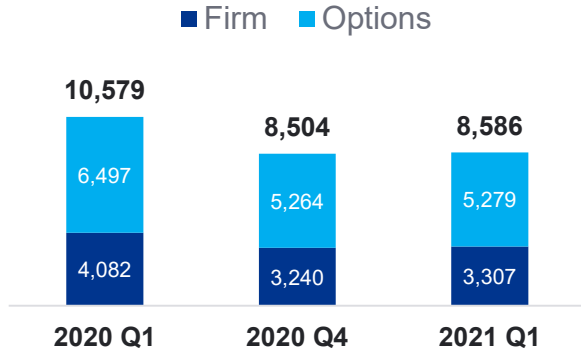


(3) Management estimates and databases

(4) Source: SMMT

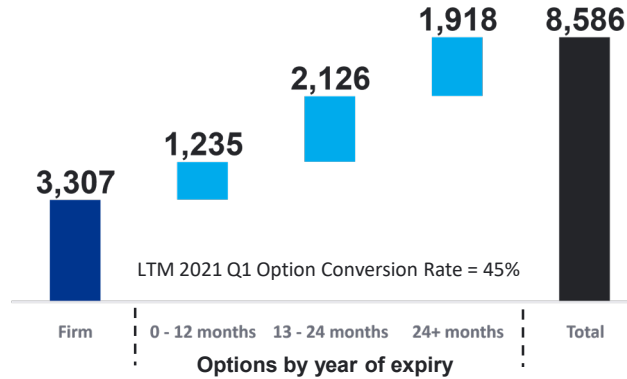
Backlog and 2021 Q1 New Vehicle Deliveries

Backlog – Firm & Option

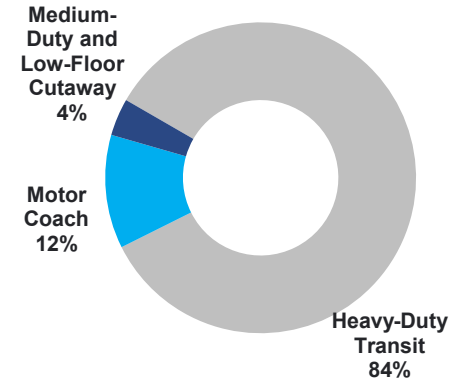


(1) ADL backlog added in 2019 Q2. ADL backlog not included in historic 2018 figures

Backlog – Timing



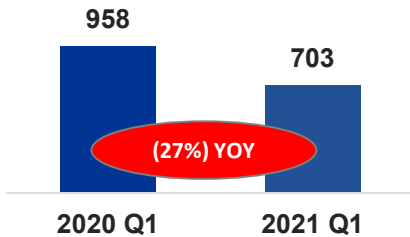
Backlog – By Product



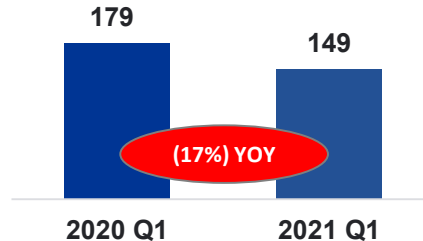
(2) Options for ARBOC vehicles are held by dealers, rather than the operator, and are not included as an option in the NFI backlog.

Deliveries: 2021 Q1 EUS

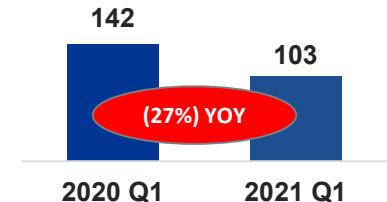
Heavy-Duty Transit



Motor Coach



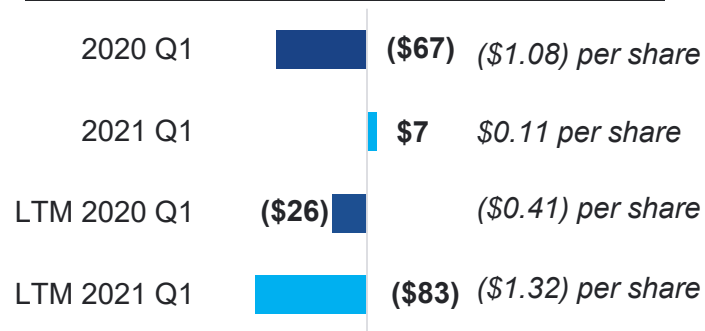
Medium-Duty / Low-Floor Cutaway



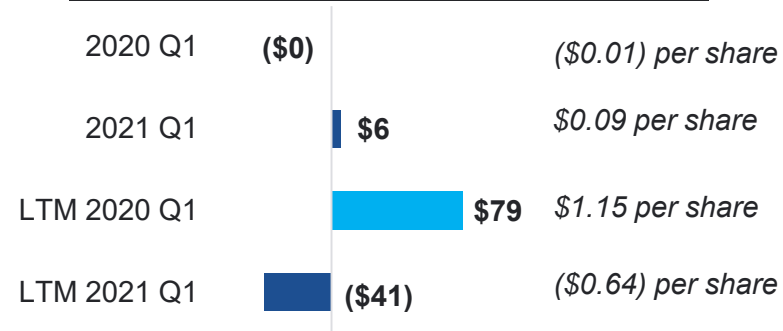
2021 Q1 Showed Early Signs of Recovery, and ZEBs are now 18% of Total Backlog

Net Earnings and Adjusted Net Earnings

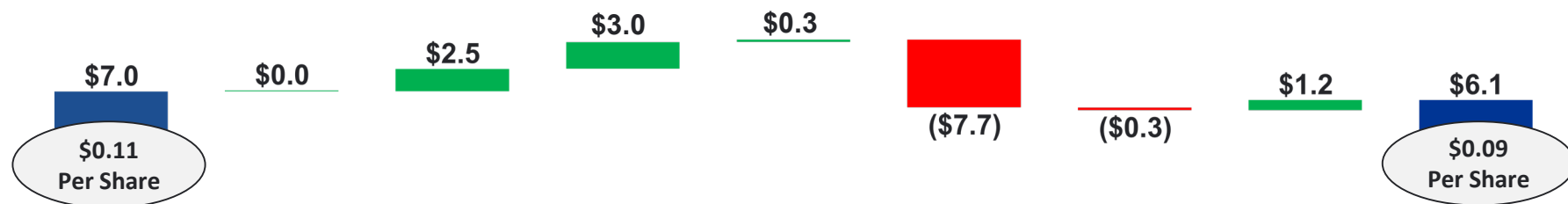
Net Earnings (\$M)



Adjusted Net Earnings (\$M)¹



Net Earnings to Adjusted Net Earnings Reconciliation



Net earnings 2021 YTD	Strategic Costs and Acquisition Related Accounting	FX Loss (Gain)	Employment, Compensation and Restructuring	COVID-19	Derivative Financial Instruments	Other	Income Tax	Adjusted Net Earnings 2021 YTD ¹
\$7.0	\$0.0	\$2.5	\$3.0	\$0.3	(\$7.7)	(\$0.3)	\$1.2	\$6.1

Net Earnings positively impacted by savings from NFI Forward and the receipt of government grants

(1) Non-IFRS Measure. See Cautionary Statement and Slide 17

Appendix: Non-IFRS Reconciliation (2021)

Reconciliation of IFRS to non-IFRS As of March 28 2021

In '000	First Quarter
Net Sales	\$ 574,120
Net Earnings	\$ 7,033
<i>% of net sales</i>	1.2%
Adjustment, Gross	
Restructuring and Other Corporate Initiatives	\$ 2,372
Goodwill Impairment	\$ -
Derivative related	\$ (7,663)
Foreign exchange loss/gain	\$ 2,529
Equity settled stock-based compensation	\$ 650
Asset related	\$ (355)
Employment related (past service costs)	\$ -
COVID-19	\$ 289
Other	\$ 40
Income taxes	\$ 1,164
Net Earnings - Adjusted	\$ 6,059
<i>% of sales</i>	1.1%
Adjustments:	
Income taxes	\$ 6,422
Finance costs	\$ 17,795
Amortization	\$ 24,564
Adjusted EBITDA	\$ 54,840
<i>% of net sales</i>	9.6%

Appendix: Non-IFRS Reconciliation (2020)

Reconciliation of IFRS to non-IFRS

As of December 27 2020

In '000	First Quarter	Second Quarter	Third Quarter	Forth Quarter	Full Year
Net Sales	\$ 710,384	\$ 333,334	\$ 663,922	\$ 711,523	\$ 2,419,163
Net Earnings	\$ (67,239)	\$ (74,049)	\$ (24,913)	\$ 8,465	\$ (157,736)
<i>% of net sales</i>	-9.5%	-22.2%	-3.8%	1.2%	-6.5%
Adjustment, Gross					
Restructuring and Other Corporate Initiatives	\$ 22	\$ 2,307	\$ 25,428	\$ 1,180	\$ 28,937
Goodwill Impairment	\$ 50,790	\$ -	\$ -	\$ -	\$ 50,790
Derivative related	\$ 23,508	\$ 454	\$ (2,446)	\$ (4,243)	\$ 17,273
Foreign exchange loss/gain	\$ (43)	\$ (2,164)	\$ (3,608)	\$ (3,235)	\$ (9,050)
Equity settled stock-based compensation	\$ 14	\$ 551	\$ 597	\$ 608	\$ 1,770
Asset related	\$ 163	\$ 229	\$ (191)	\$ (257)	\$ (56)
Employment related (past service costs)	\$ (463)	\$ 48	\$ 1	\$ 6	\$ (408)
COVID-19	\$ -	\$ 17,557	\$ 24,392	\$ 5,413	\$ 47,362
Other	\$ (56)	\$ (30)	\$ 233	\$ 37	\$ 184
Income taxes	\$ (7,176)	\$ (5,492)	\$ (13,767)	\$ 202	\$ (26,233)
Net Earnings - Adjusted	\$ (480)	\$ (60,589)	\$ 5,726	\$ 8,176	\$ (47,167)
<i>% of sales</i>	-0.1%	-18.2%	0.9%	1.1%	-1.9%
Adjustments:					
Income taxes	\$ 11,754	\$ (7,415)	\$ 10,757	\$ 12,784	\$ 27,880
Finance costs	\$ 14,657	\$ 15,633	\$ 18,028	\$ 17,871	\$ 66,189
Amortization	\$ 30,140	\$ 28,145	\$ 26,374	\$ 26,125	\$ 110,784
Adjusted EBITDA	\$ 56,071	\$ (24,226)	\$ 60,885	\$ 64,956	\$ 157,686
<i>% of net sales</i>	7.9%	-7.3%	9.2%	9.1%	6.5%

Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements”, which reflect the current expectations of management regarding the Company’s future growth, financial performance and financial position and the Company’s strategic initiatives, plans, business prospects and opportunities, including the duration, impact of and recovery from the COVID-19 pandemic. A number of factors and risks may cause actual results to differ materially from the results discussed in the forward-looking statements (including factors relating to the Company’s “NFI Forward” initiatives, the global COVID-19 pandemic, and the Company’s January 11, 2021 financial guidance (the “Guidance”). For more detail regarding the assumptions, factors and risks relating to these “forward looking statements”, please refer to the Company’s press release and management discussion and analysis (“MD&A”) dated May 5, 2021 and the factors and risks contained in its Annual Information Form and other materials filed with the Canadian securities regulatory authorities which are available on SEDAR at www.sedar.com. These forward-looking statements are made as of the date of this presentation and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws.

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

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 as described in the Company’s disclosure documents available on SEDAR at www.sedar.com. References to “ROIC” are to net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%) divided by average invested capital for the last 12-month period (calculated as to shareholders’ equity plus long-term debt, obligations under leases, other long-term liabilities and derivative financial instrument liabilities less cash).

Management believes Adjusted EBITDA and ROIC are useful measures in evaluating the performance of the Company. However, Adjusted EBITDA and ROIC are not recognized earnings measures under IFRS and do not have standardized meanings prescribed by IFRS. Readers of this press release are cautioned that Adjusted EBITDA or ROIC 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. Historical reconciliations of net earnings to Adjusted EBITDA has been provided in the Company’s disclosure documents available on SEDAR at www.sedar.com. NFI’s method of calculating Adjusted EBITDA and ROIC may differ materially from the methods used by other issuers and, accordingly, may not be comparable to similarly titled measures used by other issuers.

Appendix: Key Definitions

- **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.
- **Return on Invested Capital (“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.



The NFI logo consists of the letters 'NFI' in a bold, white, sans-serif font, centered within a bright blue square. The square has a slight wave-like bottom edge.

NFI

Leading the **ZE**volution.™