



Leading the **ZE**volution.™

CIBC 24th Annual Western Institutional Investor Conference
January 12, 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.



NFI is a leading **global independent bus and motor coach manufacturer** providing a comprehensive suite of **mass transportation solutions**.

OUR VISION

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

OUR MISSION

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



NA Market Leader in Heavy-Duty Transit Buses and Infrastructure Solutions



NA Market Leader in Motor Coaches



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



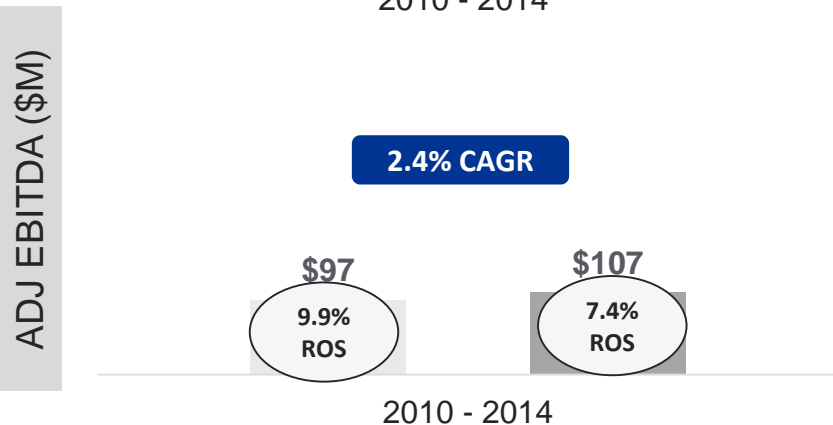
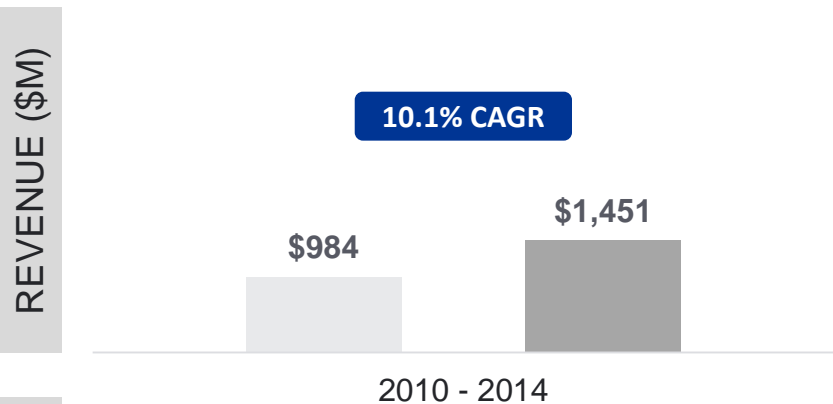
NA market leader in Low-floor Cutaway and medium-duty Shuttle buses



Market leader in Bus/Coach Parts

Our history builds the foundation for our future

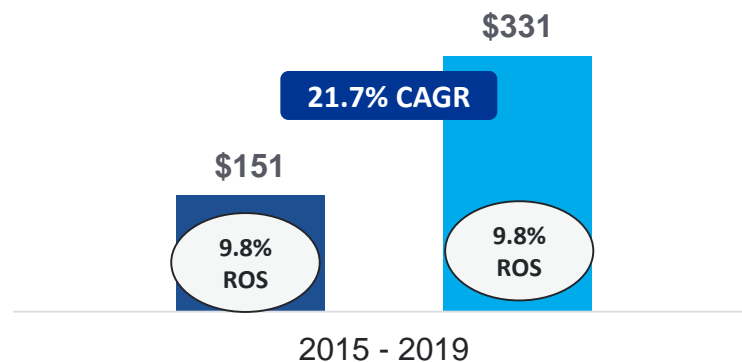
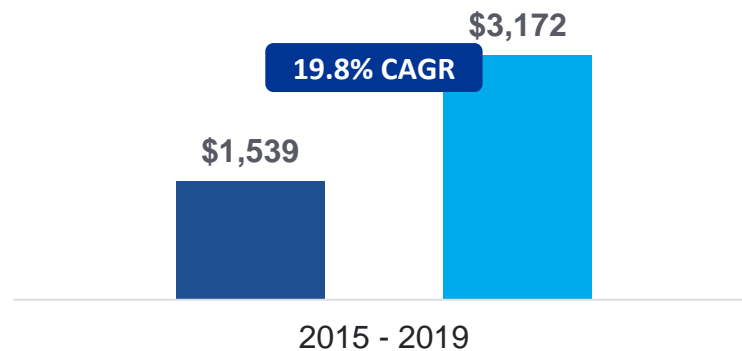
North American Market Rationalization 2010 - 2014



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

Migrated from manufacturer to **solutions** provider

Infrastructure Solutions

Buses and Coaches

Connected Vehicles and Diagnostics

Aftermarket, Warranty & Service



NEW FLYER. / **INFRASTRUCTURE SOLUTIONS™**



CONNECT 360™

AD24



nfi.parts™

NFI Group is Leading Electric Bus Mobility

450+

years of bus &
coach expertise

105K+

buses in service
globally

100+

cities with NFI
buses in service

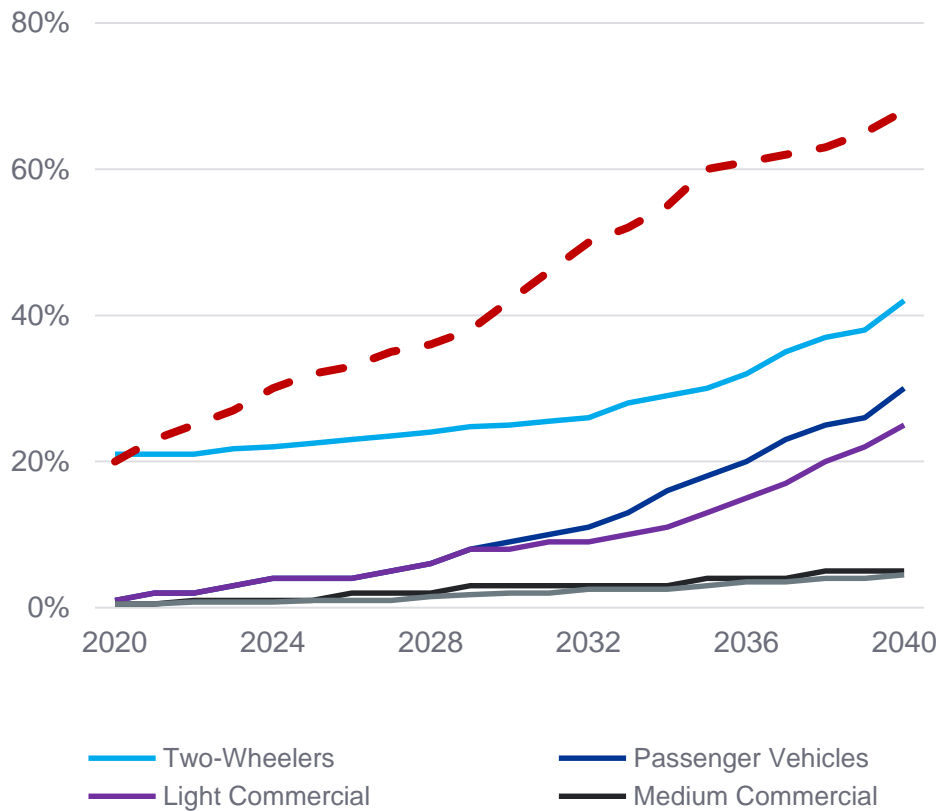
- ✓ Broadest offering of zero-emission buses
- ✓ Leading manufacturer of zero-emission buses (ZEBs) in North America
- ✓ Largest EV fleet in the United Kingdom
- ✓ Largest ZEB capacity in NA and UK
- ✓ Dedicated Infrastructure Solutions™
- ✓ Runway accelerating; anticipate more than 20% of 2021 production will be ZEB



Leading the **ZE**volution.™

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

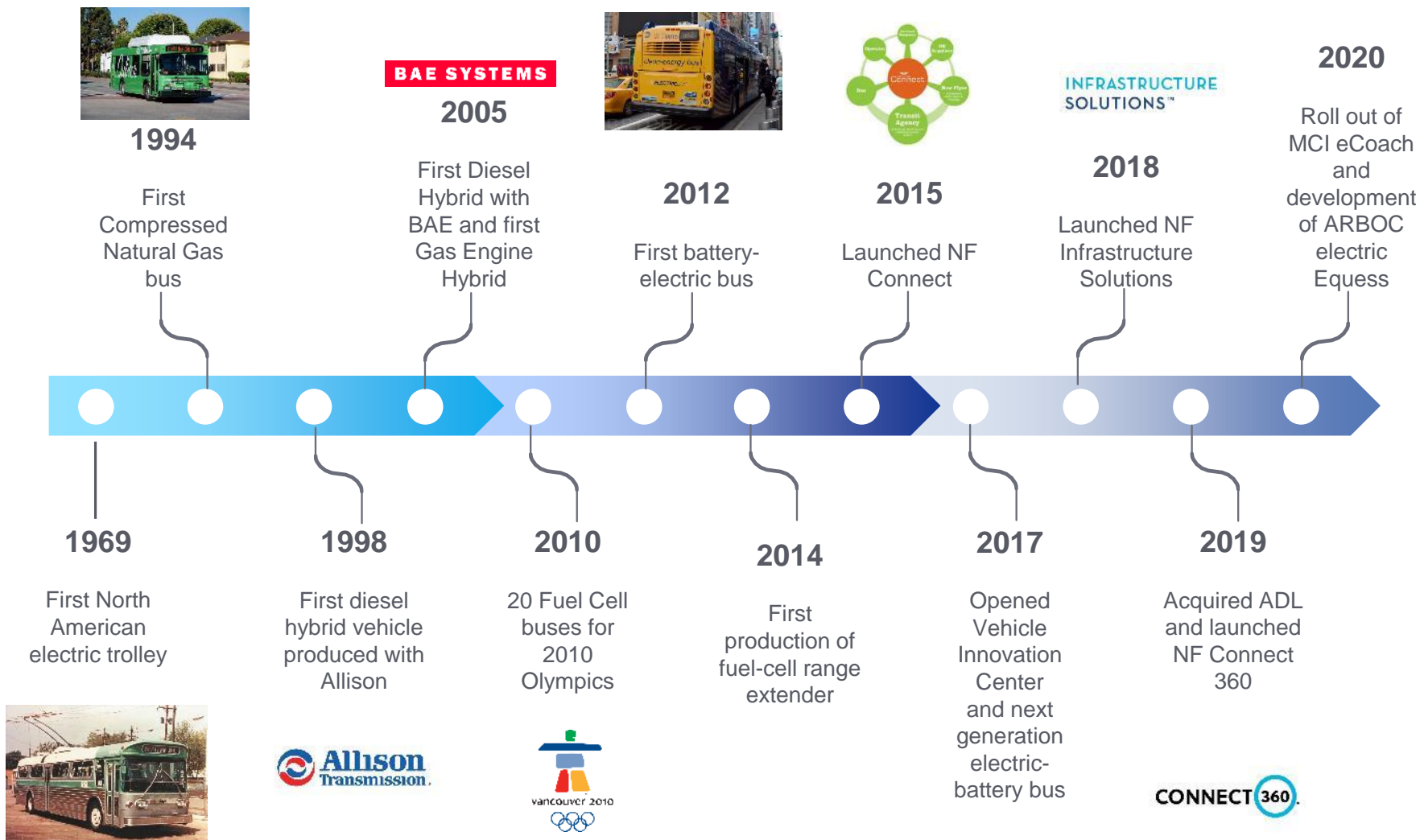
"By 2037 all buses across London will be zero emission"



"Ambitious goal of an all-electric fleet by 2035"

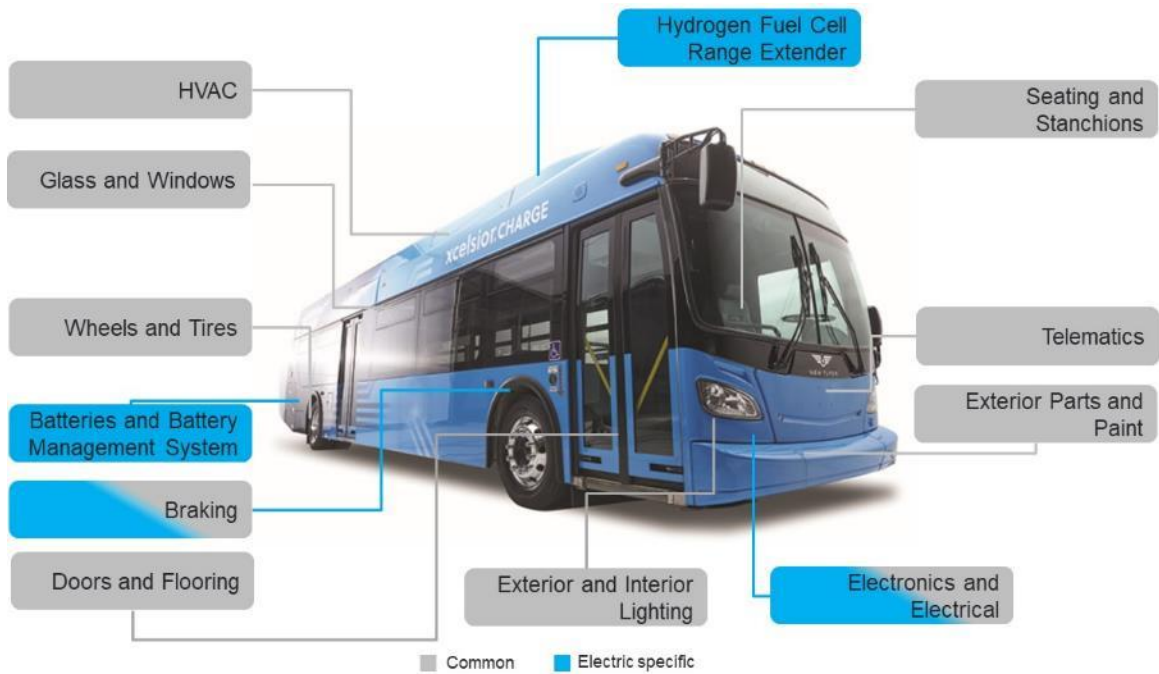
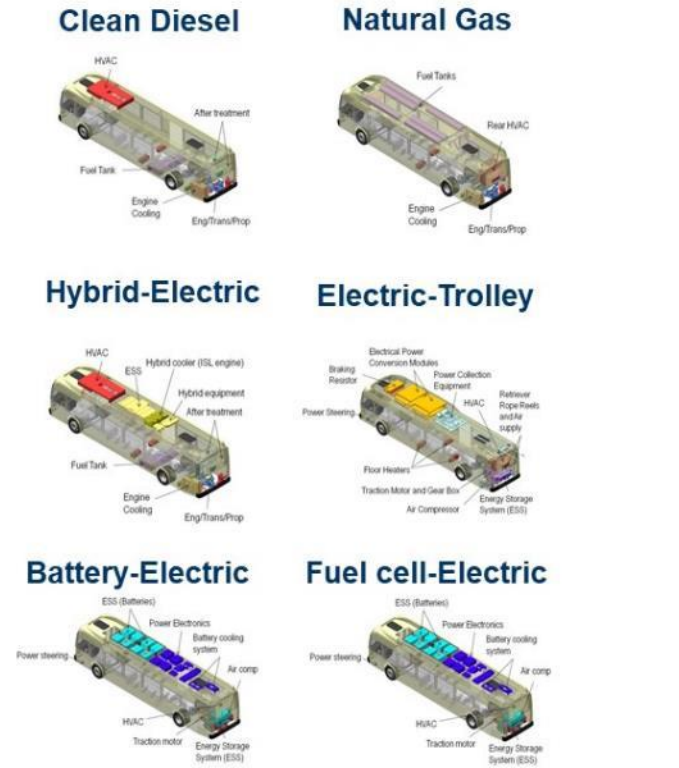
² Company websites and reports

NFI's zero-emission journey started in 1969



Structures designed for life with common components

All buses built on common structure >90% of components are shared across legacy and EV platforms



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

24- & 35-foot
eEquest



ADL Single-Deck
Electric



35-foot
Long Range &
Rapid Charge



ADL Double-Deck
Electric



40-foot
Long Range &
Rapid Charge



40-foot
Fuel-Cell
Electric



Motor Coach
J4500e



60-foot
Long Range &
Rapid Charge



Motor Coach
Electric D45 CRTe LE



60-foot
Fuel-Cell
Electric



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

5,600

vehicles produced in 2019

20% - 25%

of 2021 production
estimated to be ZEB

35% - 40%

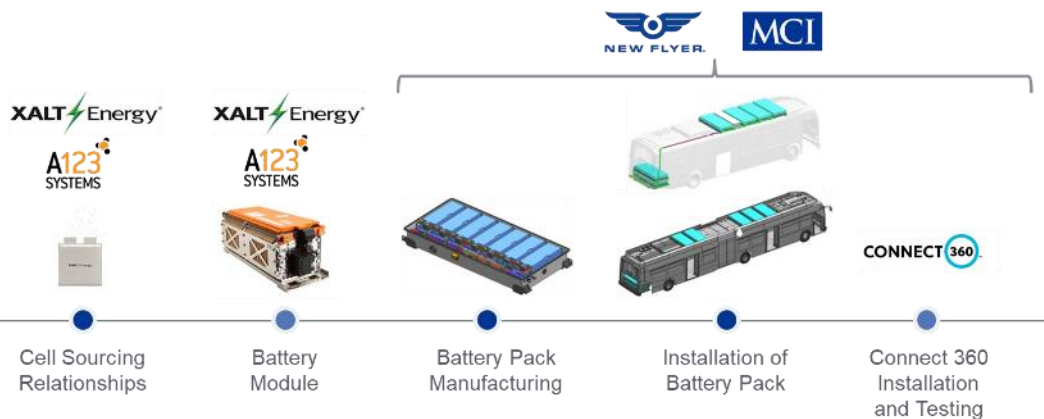
of 2025 production
estimated to be ZEB



Capable of manufacturing battery-electric, fuel-cell, and electric trolleys. Can produce Single-Deck, Articulated, Double-Deck, Medium-Duty, and Cutaway models

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



Leading the **ZE**volution.™

NFI's ZEBs are in service across North American cities...



...and throughout the UK and New Zealand



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

NEW FLYER. / 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



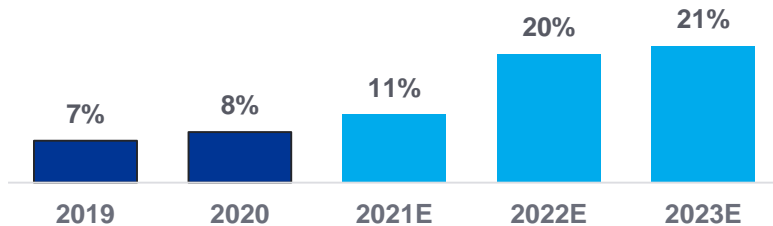
nfi.parts™

- 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

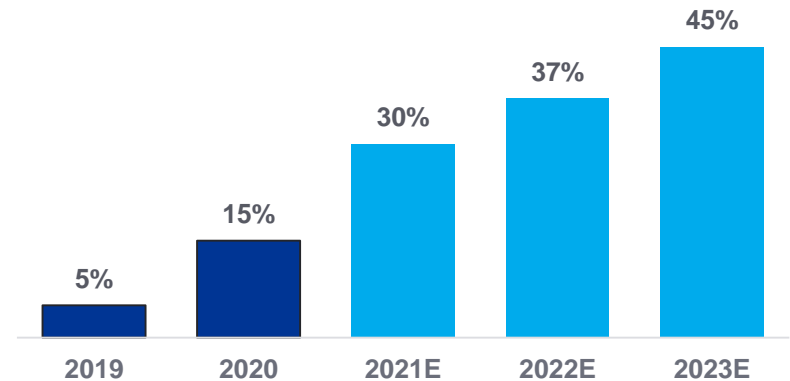


Projected market adoption rates of ZEBs¹ highlight transition will take time

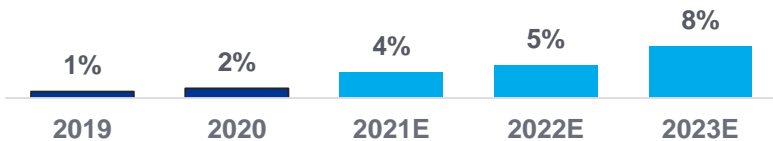
North American Heavy-Duty Transit



UK Transit



North American Coach



North American Cutaway



If the adoption rate increases, NFI is already there

¹ Percentage of annual deliveries based on management estimates



Leading the **ZE**volution.™

- ✓ Market dynamics position bus and coach transition to EV
- ✓ NFI was built through decades of investment, innovation and product development
- ✓ NFI is the **industry's leader** and in prime position to capitalize on the zero-emission evolution (**ZE**volution™)
- ✓ NFI has the most manufacturing capacity, largest installed fleet, deepest relationships and the most reliable aftermarket network
- ✓ NFI offers turnkey mobility solutions to transition fleets from legacy to EV propulsion: infrastructure solutions, vehicles, telematics, parts support
- ✓ Today, NFI has 8% of Backlog are ZEB, and 31% of our total Public bid universe are ZEB driving profitable growth

NFI is pioneering automated bus technology

New Flyer Xcelsior AV™

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



ADL's Automated Double Deck

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



Debuting in H1 2021

Launched Glasgow, Scotland pilot in 2019

2020 financial year in review



- **Strong start to the year, with all indications pointing to a record year in performance and meeting adjusted EBITDA guidance provided (\$320M-\$350M)**
-
- **Idled most facilities for more than two months**
 - **Furloughed ~8,200 people. Spent ~\$45M on COVID related expenses.**
 - Took advantage of tax deferrals put in place by various governments and utilized CEWS and UK Furlough schemes where applicable
 - **Accelerated strategy with NFI Forward Initiative and launched multiple projects**
 - Issued revised full year adjusted EBITDA of \$145M-\$155M
 - **Permanently reduced staffing levels (~560 direct and ~800 indirect/salary)**
 - MCI Goodwill reduction of \$51M reflecting private market impairment and liquidated MCI pre-owned coach pool (requiring ~\$20M write-down)
 - **Two credit agreements completed in 2020 (April and December)**
-
- **Confirming FY 2020 guidance provided at end of Q2 2020 of \$145M-\$155M**

In face of 2020 COVID related Challenges, NFI accelerated pivot to “Operating Company Model”



2021 focus and guidance

2012 Focus

- Enhanced focus on both EBITDA generation and cash flow (working capital) improvement
- Continue standardization journey to Operating Co model (NFI Forward)
- Capital allocation priorities: debt reduction and EPS growth
- Continue to evaluate opportunities to de-lever and optimize tax structure

2021 Guidance

- Revenue ~\$2.8 to \$2.9B
- Adj EBITDA \$220 to \$240M
- Maintain current Dividend Policy
- Capex of \$50M (including NFI Forward)
- ETR ~31%
- ZEB to be 20 to 25% of bus revenue

**2021 NFI Adj EBITDA Guidance of \$220 to \$240M
(>50% over 2020)**



Longer-term financial targets for 2025

Revenue

\$3.9 billion to \$4.1 billion

ZEBs expected to make up 35% - 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

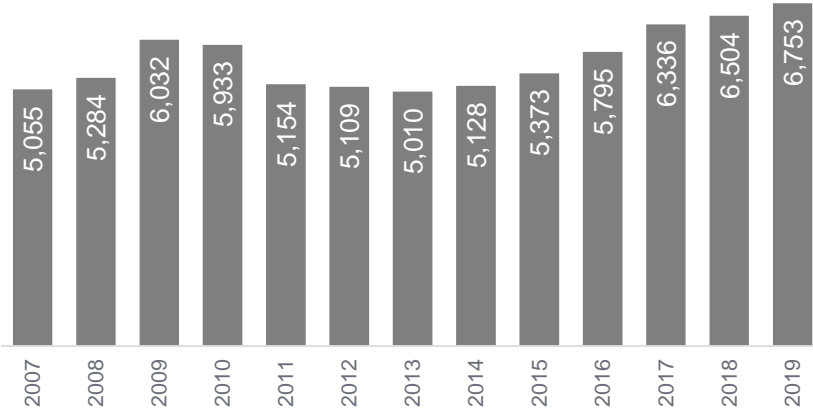
Focused approach to drive value creation

Appendices



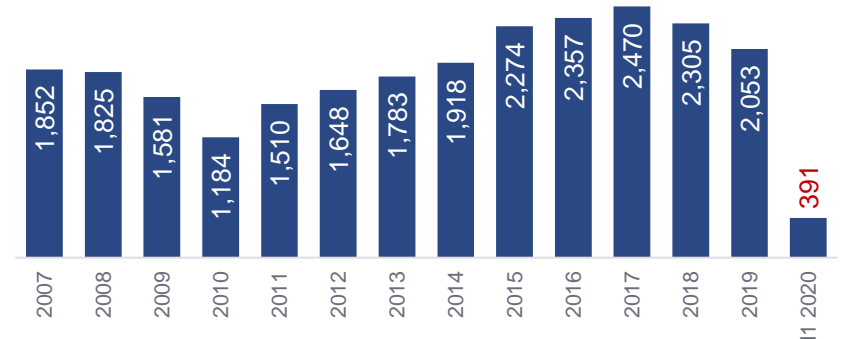
Core markets annual deliveries

North American Heavy-Duty Transit¹



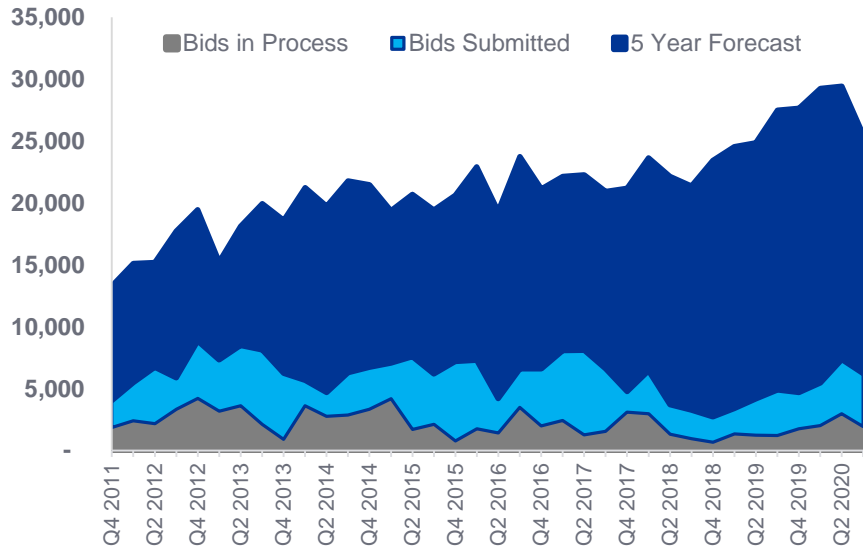
(1) Metro Magazine and Management Estimates

North American Motor Coach (public and private)²



(2) Source: American Bus Association

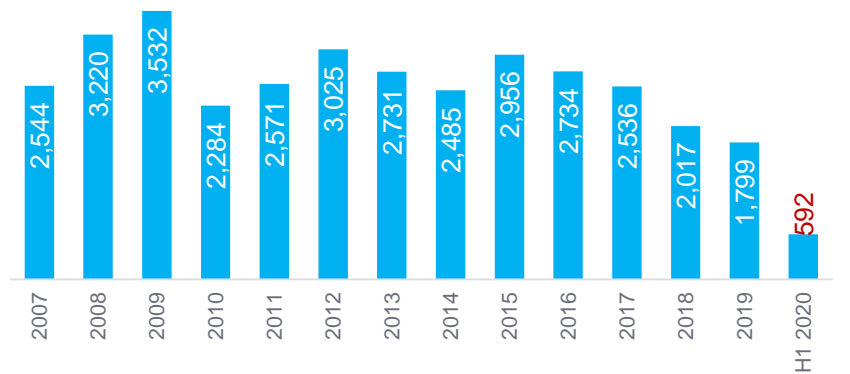
North American Public Bid Universe (public)³



(3) Management estimates and databases

(4) Source: SMMT

North American Motor Coach (public and private)⁴



Non-IFRS reconciliation (2020 YTD)

Reconciliation of IFRS to non-IFRS
As of September 27 2020

| In '000 | First Quarter | Second Quarter | Third Quarter | Q3 YTD |
|---|------------------|-------------------|------------------|--------------|
| Net Sales | \$ 710,384 | \$ 333,334 | \$ 663,922 | \$ 1,707,640 |
| Net Earnings | \$ (67,239) | \$ (74,049) | \$ (24,913) | \$ (166,201) |
| <i>% of net sales</i> | -9.5% | -22.2% | -7.5% | -9.7% |
| Adjustment, Gross | | | | |
| Restructuring and Other Corporate Initiatives | \$ 22 | \$ 2,307 | \$ 25,428 | \$ 27,757 |
| Goodwill Impairment | \$ 50,790 | \$ - | \$ - | \$ 50,790 |
| Derivative related | \$ 23,508 | \$ 454 | \$ (2,446) | \$ 21,516 |
| Foreign exchange loss/gain | \$ (43) | \$ (2,164) | \$ (3,608) | \$ (5,815) |
| Equity settled stock-based compensation | \$ 14 | \$ 551 | \$ 597 | \$ 1,162 |
| Asset related | \$ 163 | \$ 229 | \$ (191) | \$ 201 |
| Employment related (past service costs) | \$ (463) | \$ 48 | \$ 1 | \$ (414) |
| COVID-19 | \$ - | \$ 17,557 | \$ 24,392 | \$ 41,949 |
| Other | \$ (56) | \$ (30) | \$ 233 | \$ 147 |
| Income taxes | \$ (7,176) | \$ (5,492) | \$ (13,767) | \$ (26,435) |
| Net Earnings - Adjusted | \$ (480) | \$ (60,589) | \$ 5,726 | \$ (55,343) |
| <i>% of sales</i> | -0.1% | -18.2% | 1.7% | -3.2% |
| Adjustments: | | | | |
| Income taxes | \$ 11,754 | \$ (7,415) | \$ 10,757 | \$ 15,096 |
| Finance costs | \$ 14,657 | \$ 15,633 | \$ 18,028 | \$ 48,318 |
| Amortization | \$ 30,140 | \$ 28,145 | \$ 26,374 | \$ 84,659 |
| Adjusted EBITDA | \$ 56,071 | \$ (24,226) | \$ 60,885 | \$ 92,730 |
| <i>% of net sales</i> | 7.9% | -7.3% | 18.3% | 5.4% |

Non-IFRS reconciliation (2019)

Reconciliation of IFRS to non-IFRS Year Ending December 29, 2019

| In '000 | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Full Year |
|---|------------------|-------------------|------------------|-------------------|--------------|
| Net Sales | \$ 566,995 | \$ 683,353 | \$ 725,347 | \$ 917,741 | \$ 2,893,436 |
| Net Earnings | \$ 16,149 | \$ 8,507 | \$ (1,085) | \$ 34,127 | \$ 57,698 |
| <i>% of net sales</i> | 2.8% | 1.2% | -0.1% | 3.7% | 2.0% |
| Adjustments, Gross: | | | | | |
| Restructuring and Other Corporate Initiatives | \$ 5 | \$ 13,338 | \$ 342 | \$ (251) | \$ 13,434 |
| Acquisition related costs | \$ - | \$ 8,690 | \$ 20,158 | \$ 2,156 | \$ 31,004 |
| Derivative related | \$ 9,447 | \$ 12,263 | \$ 5,047 | \$ (4,454) | \$ 22,303 |
| Foreign exchange loss/gain | \$ (935) | \$ (6,645) | \$ 4,993 | \$ (1,640) | \$ (4,227) |
| Equity settled stock-based compensation | \$ 419 | \$ 558 | \$ 152 | \$ 437 | \$ 1,566 |
| Asset related | \$ (20) | \$ 15 | \$ (93) | \$ 52 | \$ (46) |
| Employment related (past service costs) | \$ - | \$ - | \$ (1,671) | \$ 70 | \$ (1,601) |
| Tax adjustments | \$ - | \$ 3,794 | \$ - | \$ 300 | \$ 4,094 |
| Net Earnings - Adjusted | \$ 25,065 | \$ 40,520 | \$ 27,843 | \$ 30,797 | \$ 124,225 |
| <i>% of net sales</i> | 4.4% | 5.9% | 3.8% | 3.4% | 4.3% |
| Adjustments: | | | | | |
| Income taxes | \$ 7,655 | \$ 5,869 | \$ 2,355 | \$ 26,118 | \$ 41,997 |
| Finance costs | \$ 8,601 | \$ 12,334 | \$ 14,615 | \$ 15,826 | \$ 51,376 |
| Amortization | \$ 18,981 | \$ 22,399 | \$ 32,055 | \$ 31,134 | \$ 104,569 |
| Adjusted EBITDA | \$ 60,302 | \$ 81,122 | \$ 76,868 | \$ 103,875 | \$ 322,167 |
| <i>% of net sales</i> | 10.6% | 11.9% | 10.6% | 11.3% | 11.1% |

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 results of operations 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 and the global COVID-19 pandemic). For more detail regarding the assumptions, factors and risks relating to these “forward looking statements”, please refer to the Company's press release relating to its financial guidance dated January 11, 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 twelve-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.

The NFI logo consists of the letters 'NFI' in white, bold, sans-serif font, set against a blue square background that has a slight wave-like bottom edge. The background of the entire image is a futuristic, curved tunnel with glowing blue light strips along the walls and ceiling, leading towards a city skyline at night, with the Petronas Twin Towers prominently visible on the left.

NFI

Leading the **ZE**volution.™