

INVESTOR PRESENTATION

November 2019



COMMAND
YOUR ROAD

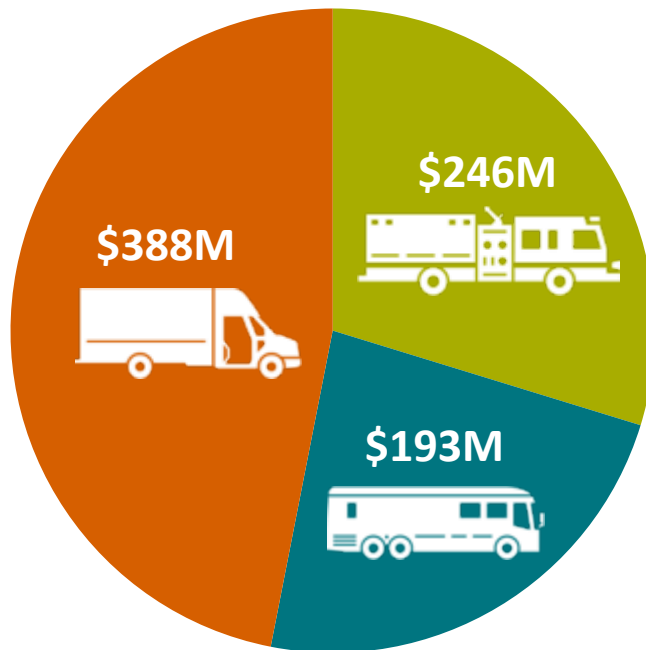
FORWARD LOOKING STATEMENTS

This presentation contains several forward-looking statements that are not historical facts, including statements concerning our business, strategic position, financial projections, financial strength, future plans, objectives, and the performance of our products and operations. These statements can be identified by words such as "believe," "expect," "intend," "potential," "future," "may," "will," "should," and similar expressions regarding future expectations. These forward-looking statements involve various known and unknown risks, uncertainties, and assumptions that are difficult to predict with regard to timing, extent, and likelihood. Therefore, actual performance and results may materially differ from what may be expressed or forecasted in such forward-looking statements. Factors that could contribute to these differences include operational and other complications that may arise affecting the implementation of our plans and business objectives; continued pressures caused by economic conditions and the pace and extent of the economic recovery; challenges that may arise in connection with the integration of new businesses or assets we acquire or the disposition of assets; restructuring of our operations, and/or our expansion into new geographic markets; issues unique to government contracting, such as competitive bidding processes, qualification requirements, and delays or changes in funding; disruptions within our dealer network; changes in our relationships with major customers, suppliers, or other business partners, including Isuzu; changes in the demand or supply of products within our markets or raw materials needed to manufacture those products; and changes in laws and regulations affecting our business. Other factors that could affect outcomes are set forth in our Annual Report on Form 10-K and other filings we make with the Securities and Exchange Commission (SEC), which are available at www.sec.gov or our website. All forward-looking statements in this presentation are qualified by this paragraph. Investors should not place undue reliance on forward-looking statements as a prediction of actual results. We undertake no obligation to publicly update or revise any forward-looking statements in this presentation, whether as a result of new information, future events, or otherwise.



SPARTAN AT A GLANCE

SEGMENT OVERVIEW 2018 Sales



- Emergency Response (ER)
- Specialty Chassis & Vehicles (SCV)
- Fleet Vehicles & Services (FVS)



\$816M
2018 SALES

\$995M
2019 SALES*



\$15M
2018 NET INCOME

\$28M
2019 NET INCOME*

\$32M
2018 ADJ. EBITDA

\$53M
2019 ADJ. EBITDA*



**21 MFG OPERATIONS
IN 11 STATES & 3
COUNTRIES**

© 2019 SPARTAN MOTORS, INC.

**North American leader in specialty
vehicle manufacturing and assembly
for the commercial vehicle market**



*Based on 2019 midpoint guidance

COMPANY TIMELINE



1975
2019

1975

Four young engineers joined to form Spartan Motors, Inc. and produced the first custom fire truck cab and chassis in a few short months



1985

Spartan enters the Class A diesel RV chassis market

1994

Spartan hosts the first Fire Truck Training Conference (FTTC), leading the industry in EVT education



FTTC

2005

Spartan builds the MRAP and ILAV to support U.S. efforts in the Iraq War

2006

Spartan Chassis constructs a new facility in Charlotte, MI to meet increasing demand for fire truck chassis.



2013

Production begins at the state-of-the-art new facility in Bristol, IN



2011

Spartan Motors, Inc. acquires Classic Fire

2016

Spartan builds Plant 12, a flexible manufacturing facility, to accommodate growing contract manufacturing business with Isuzu.



2017

Spartan acquires Smeal Fire Apparatus and its Ladder Tower and UST brands



2018

Spartan acquires Strobes-R-Us



1975

1990

2010

2015

2020

1978

Spartan constructs "Plant 1", the first of many buildings to come on the Charlotte, MI campus

1984

Spartan Motors goes public on NASDAQ under the symbol "SPAR"

1990

Spartan innovates creating 10 fire truck chassis configurations with raised roofs for better visibility, more headroom, and improved safety

1997

Spartan Motors purchases Luverne Fire Apparatus and Quality Manufacturing which merged to form Crimson Fire



=
CRIMSON FIRE



2009

Spartan Motors, Inc. acquires Utilimaster, Inc.



2010

Spartan creates the Reach - the next generation commercial walk in van



2011

Spartan builds low cab-forward N-Series assembly and final inspection for Isuzu Work Truck, North America+



2015

Daryl Adams is appointed President & CEO



2019

Spartan motors advances commitment to U.S. manufacturing with launch of Detroit Truck Manufacturing



2019

Spartan acquires General Truck Body, and with it, the company's first West Coast facility



2019

Spartan acquires Royal Truck Body, gaining six facilities in three additional sunbelt states, and coast-to-coast manufacturing and distribution capabilities with an expanded presence in the truck body market



LEADERSHIP TEAM

QUICK STATS & DRIVERS

- 173 years of combined executive leadership
- “One-team” mentality
- Culture of accountability and ownership
- Mantra of “no surprises”
- Solution and proactive based mindset

SHARED SKILL SETS

- Big-company DNA with growth experience
- Blended automotive and non-automotive experience
- Lean manufacturing expertise
- Successful M&A activity
- Progressive experience



Daryl Adams
President & CEO



Tom Schultz
CAO



Todd Heavin
COO



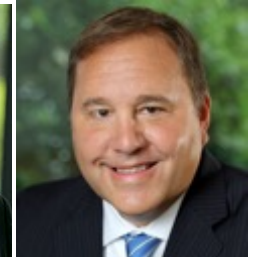
Rick Sohm
CFO



Chad Heminover
President, Fleet
Vehicles & Services



Todd Fierro
President, Emergency
Response

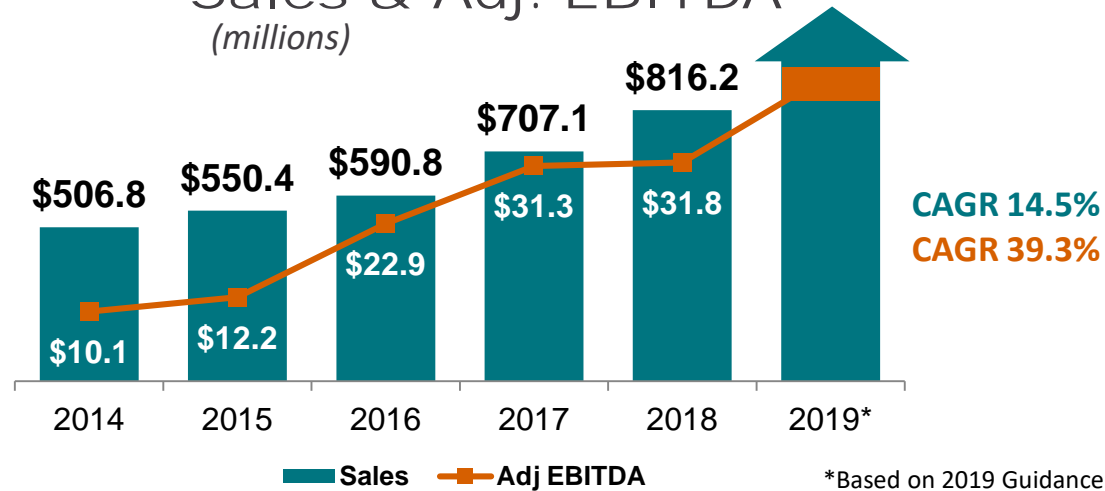


Steve Guillaume
President, Specialty
Chassis & Vehicles



SPARTAN MOTORS - BUSINESS SNAPSHOT

Sales & Adj. EBITDA
(millions)



TAM: \$5.6B



- eCommerce to grow 9x the rate of other retail sales through 2022



- 66% of all fire trucks are ten years or older

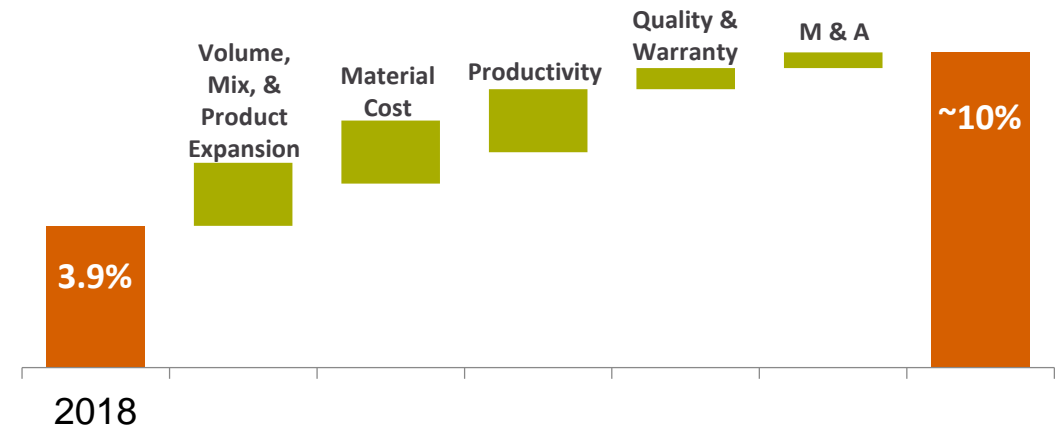


- 18% CAGR Class A Diesel >400 HP shipments ('12-'18)

2019 Guidance

(\$M except per share)	Low	Mid-point	High	MP% Increase Over Prev Guid
Revenue	\$990.0	\$995.0	\$1,000.0	2%
Net income	\$27.3	\$28.1	\$28.8	11%
Adjusted EBITDA	\$51.9	\$52.8	\$53.7	18%
EPS	\$0.77	\$0.79	\$0.81	10%
Adjusted EPS	\$0.89	\$0.91	\$0.93	23%

Financial Objective – Adj. EBITDA %



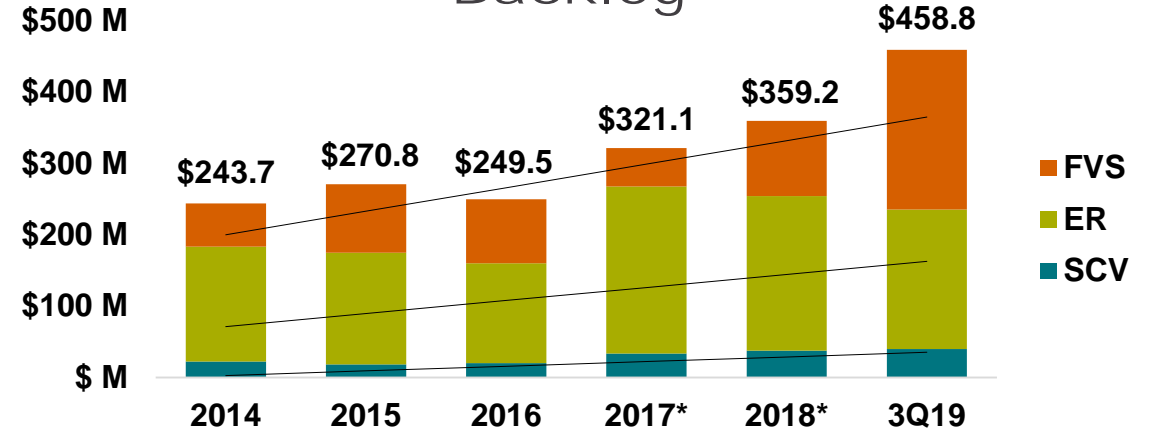
MANUFACTURING IMPROVEMENTS – GAINING TRACTION

Sales Productivity

	2014	2015	2016	2017	2018	2019*
Sales (millions)	\$506.8	\$550.4	\$590.8	\$707.1	\$816.2	\$995.0
Square Footage (thousands)	1,677	1,621	1,435	2,000	2,019	2,384
Employees	1,600	1,900	2,340	2,327	2,338	2,515
Sales \$ per Sq Foot	\$302.2	\$339.5	\$411.6	\$353.5	\$404.2	\$417.4
Sales \$ per Employee (thousands)	\$316.8	\$289.7	\$252.5	\$303.9	\$349.1	\$395.6

*Based on 2019 midpoint guidance

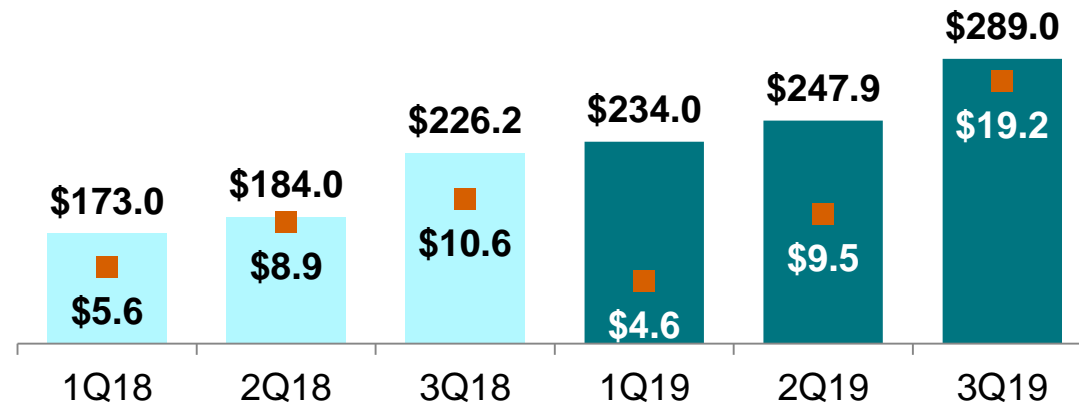
Backlog



*Excluding USPS Order

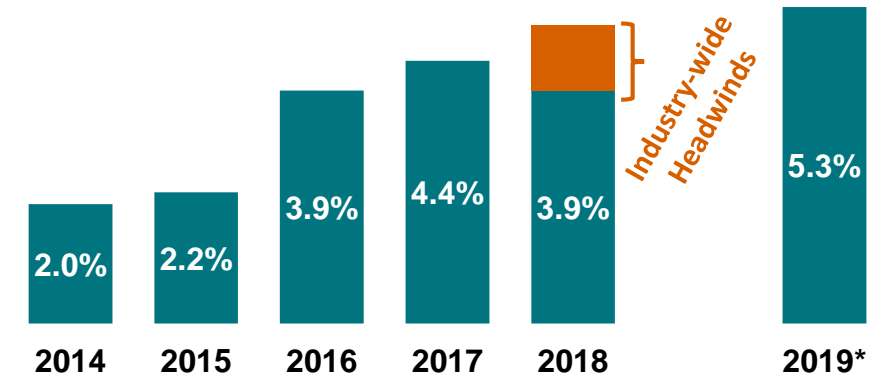
3Q19 Sales and Adj. EBITDA

■ Adj EBITDA



Adjusted EBITDA Margin

Adj. EBITDA Margin



*Based on 2019 midpoint guidance



GROWTH STRATEGY AT WORK

- **Latest acquisitions support coast-to-coast manufacturing of delivery vehicles**
 - *3 acquisitions in the past 10 months*
 - Expanded capacity with 8 manufacturing facilities
 - Increased breadth of products
 - Better serve new and existing customers



FLEET VEHICLES & SERVICES



COMMAND
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FLEET VEHICLES & SERVICES (FVS)

A leader in the fleet vehicle market, including truck bodies, walk-in vans, highly-customized global fleets, and vocation-specific vehicle upfits



FVS – GO-TO-MARKET STRATEGY

National Accounts/ Large Business Fleets



Leasing Companies

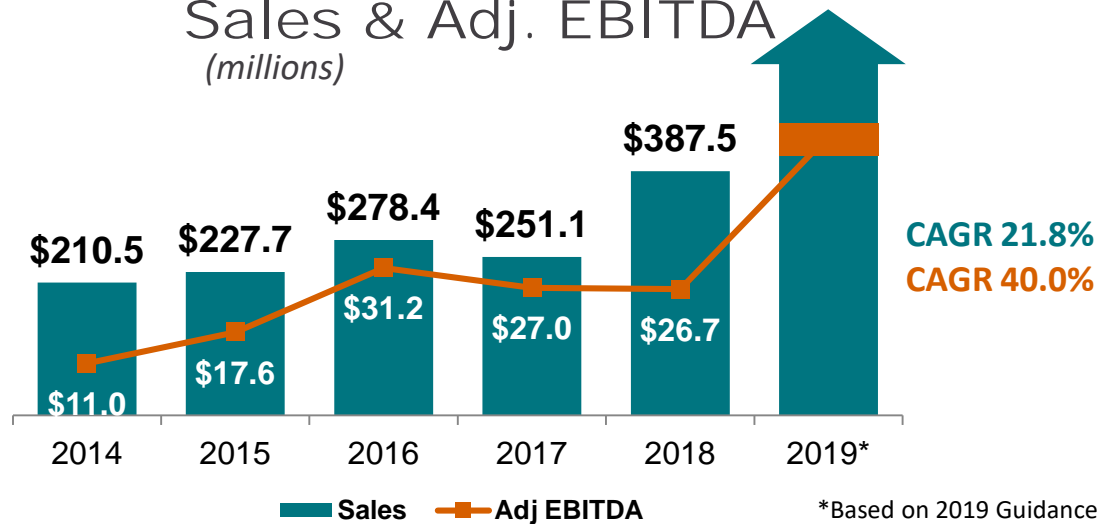


OEM Dealerships



FVS – BUSINESS SNAPSHOT

Sales & Adj. EBITDA
(millions)

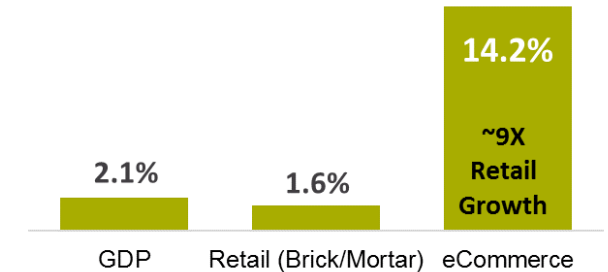


TAM: \$3.8B



Expected Growth (CAGR) 2018-2022

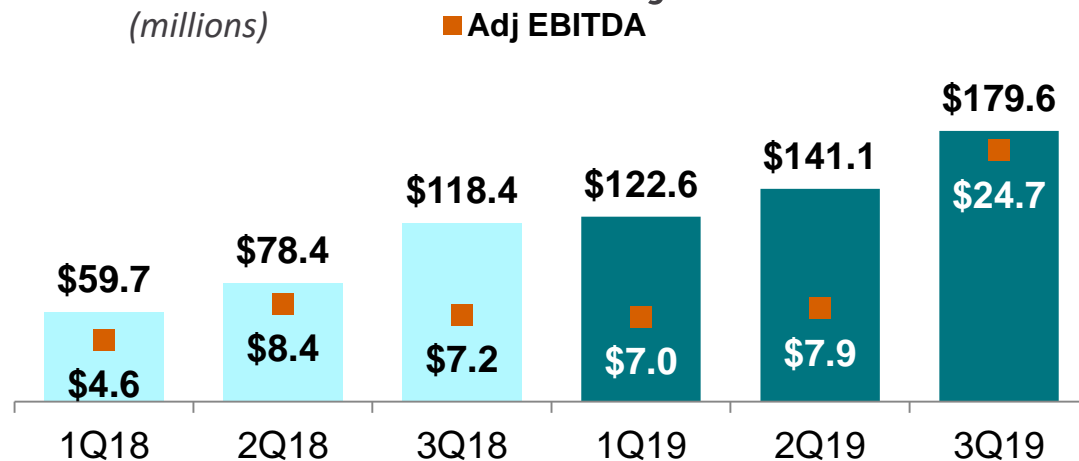
US eCommerce
expected to double
from \$575B in 2019 to
over \$1.2T by 2028



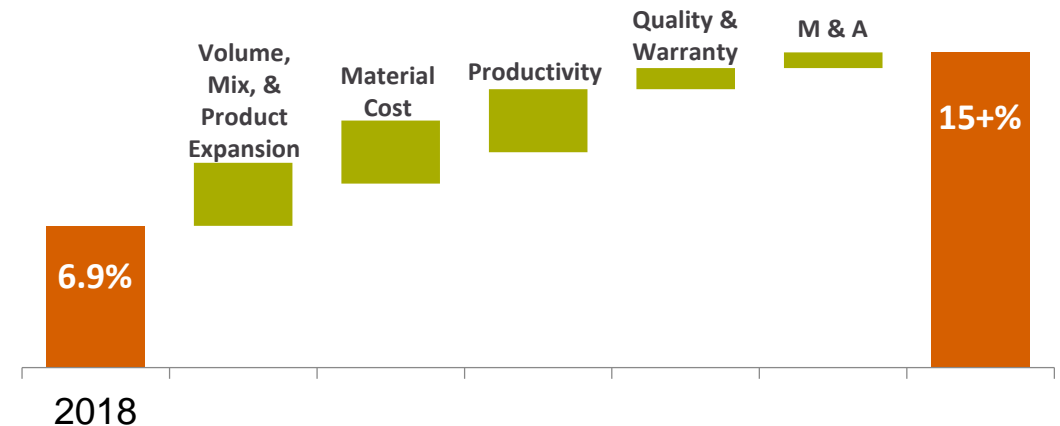
Note: Nominal GDP

Sources: FedEx, UPS Rates & Forecasting, eMarketer, FTI Consulting Report, CBO GDP Report

3Q19 Sales and Adj. EBITDA
(millions)



Financial Objective – Adj. EBITDA %



FVS – MARKET SHARE

TAM: \$2.6 Billion



TAM: \$1.2 Billion

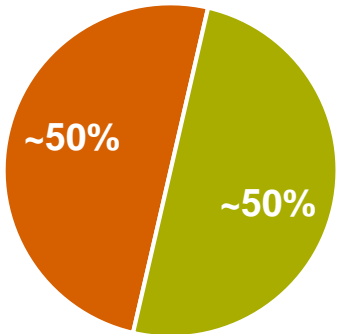


WALK- IN VANS

TRUCK BODIES

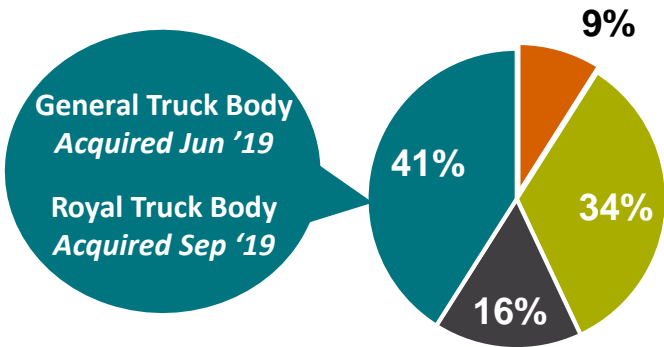
CARGO VAN UPFITS

Walk-in Van Market Share



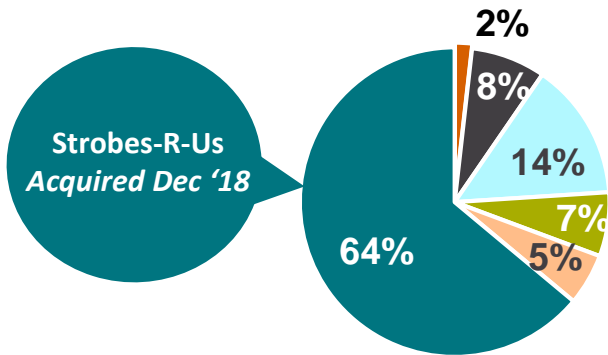
■ Spartan/Utilimaster ■ Morgan Olson

Truck Body Market Share



■ Spartan/Utilimaster ■ Morgan Corp
■ Wabash/Supreme ■ Others

Van Up-fit Market Share



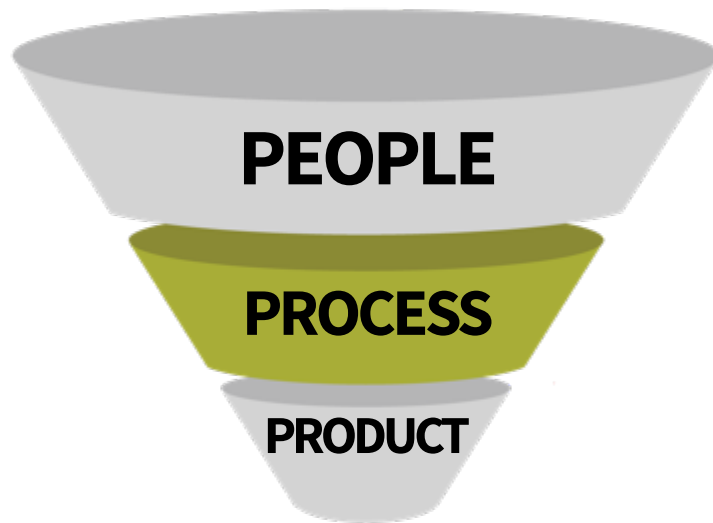
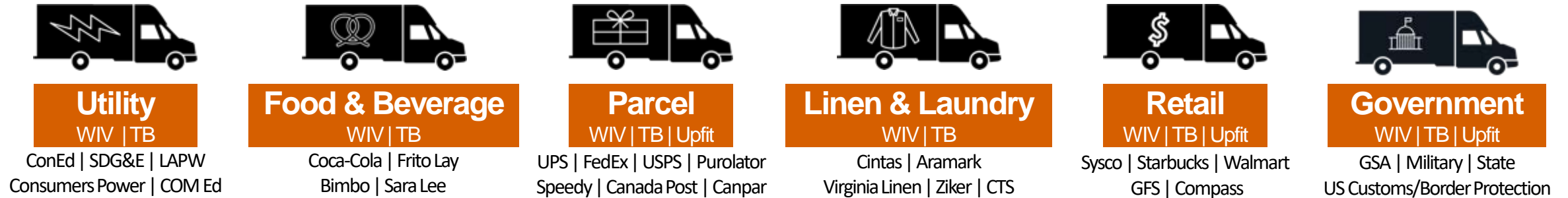
■ Spartan/Utilimaster ■ MasterRack
■ Adrian Steel ■ Ranger Design
■ Weather Guard ■ Regional Upfitters

Spartan's Utilimaster is #3 in the Van/Truck Body Market

Source: 2017-2018 SpecialtyTransportation.net Reports



FVS – COMPETITIVE ADVANTAGE

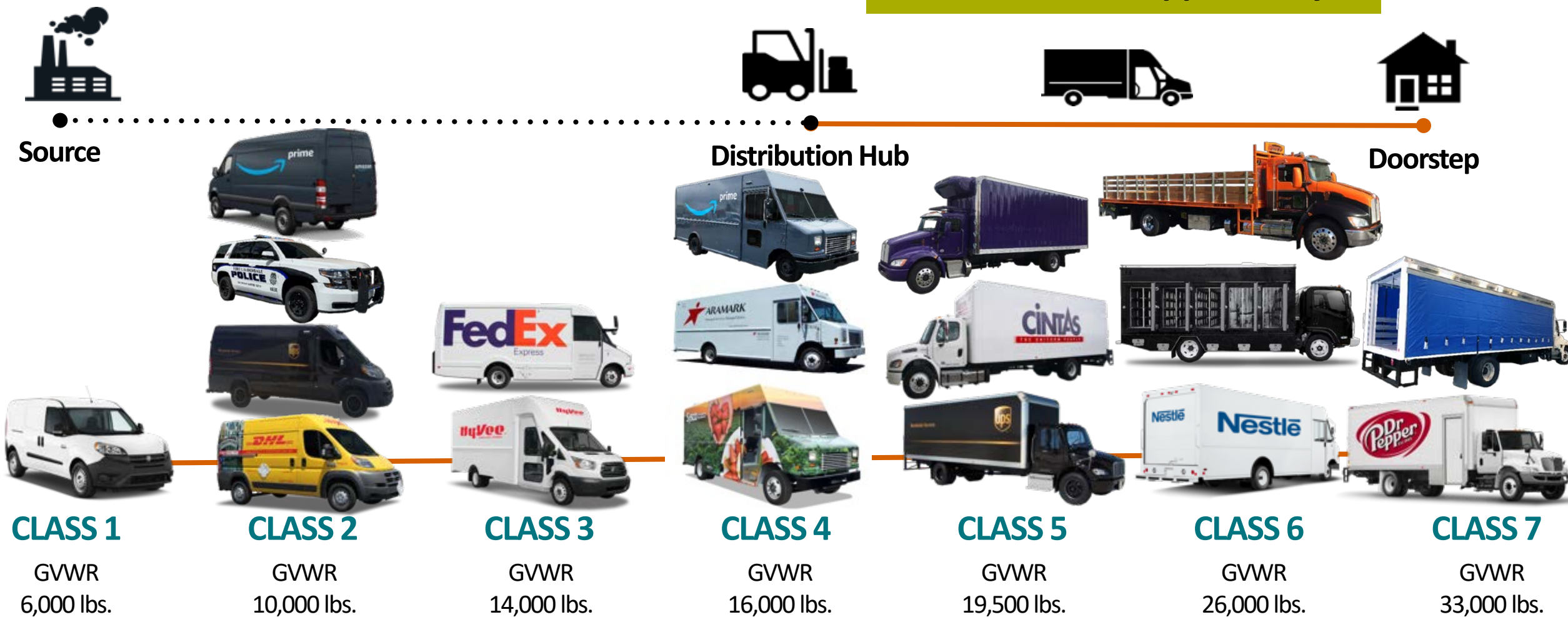


Work-Driven Design = “The Utilimaster Difference”

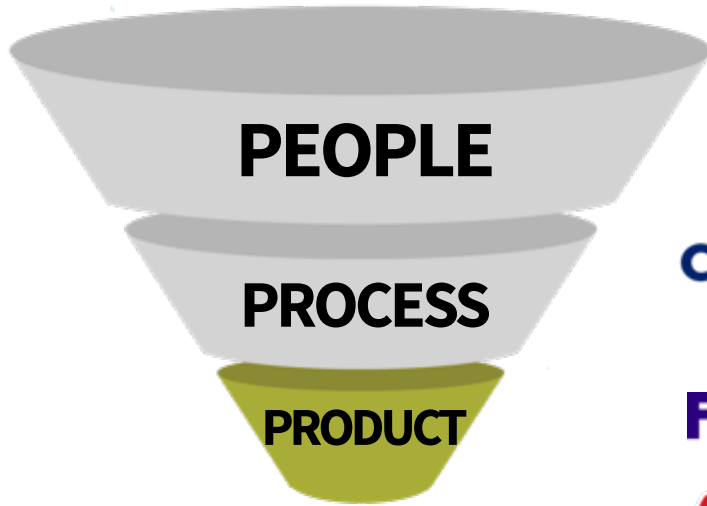

















FLEET GROWTH OPPORTUNITIES

\$3.8B Market Opportunity



FVS – BUILDING LONG-TERM RELATIONSHIPS



					
	Van Upfit	Walk-in Van	Truck Body	Parts	Field Service
	X	X	X	X	X
	X	X	X	X	X
	X	X	X	X	X
	X	X	X	X	X
	X	X	X	X	X
	X	X	X	X	X
	X	X	X		
		X	X		X
		X		X	X
	X	X			





EMERGENCY RESPONSE



EMERGENCY RESPONSE (ER)

A top three fire truck and cab & chassis manufacturer
with an emphasis on broad categorical coverage

Customers We Serve



Cabs & Chassis

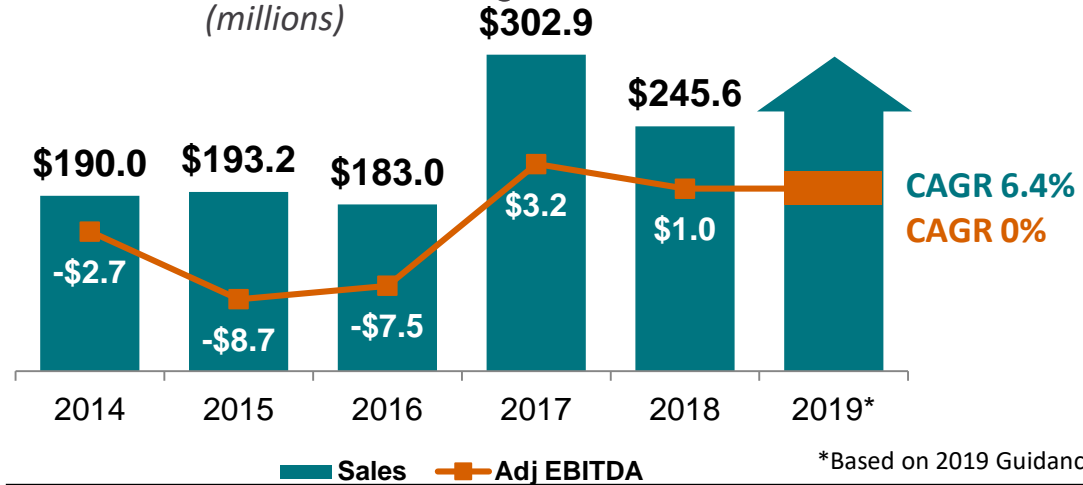


Complete Apparatus

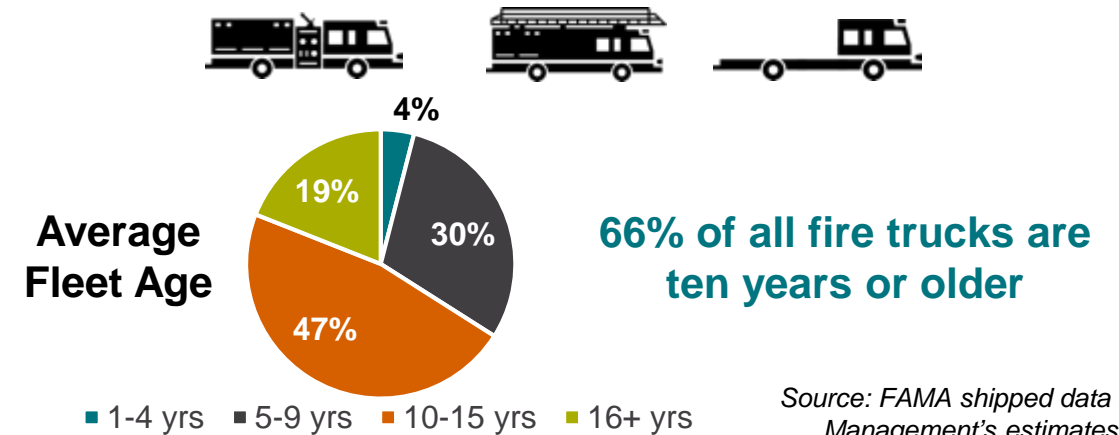


ER – BUSINESS SNAPSHOT

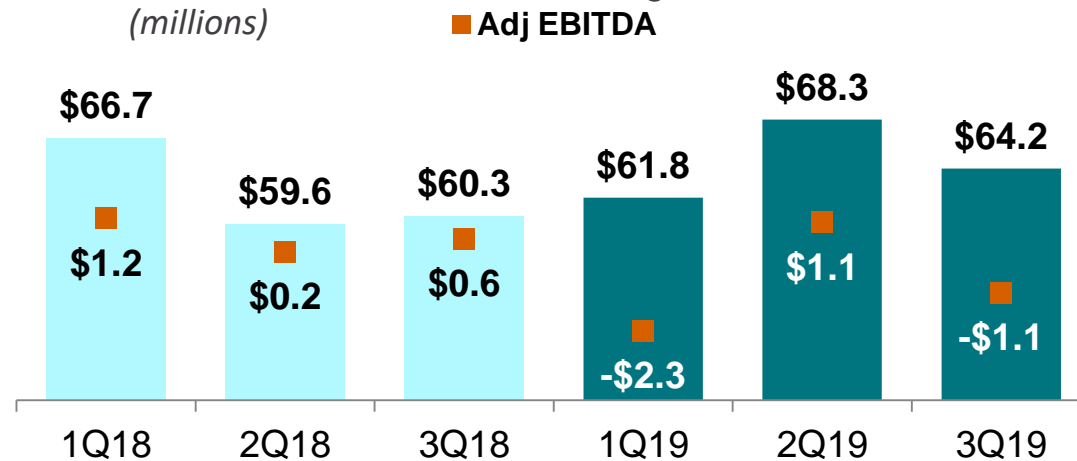
Sales & Adj. EBITDA
(millions)



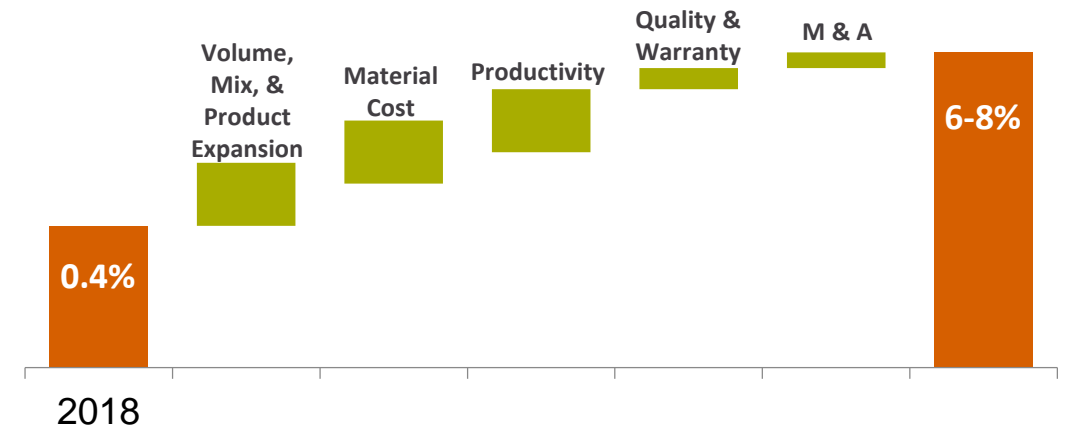
TAM: \$1.2B



3Q19 Sales and Adj. EBITDA
(millions)



Financial Objective – Adj. EBITDA %



ER – PRODUCT OFFERINGS



Pumpers

Tankers

Wildland Apparatus

Cabs & Chassis

Rescues

Aerials

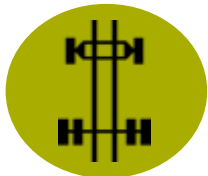


ER – INNOVATION



Professional Engineering Certification *(Aerial Device Structure Certification)*

- Ladder Tower Company aerial products
 - Snorkel Articulating Boom Platform
 - Sqrt Articulating Water Tower
 - Telesqrt Telescoping Boom-Ladder
- Renewed interest/demand

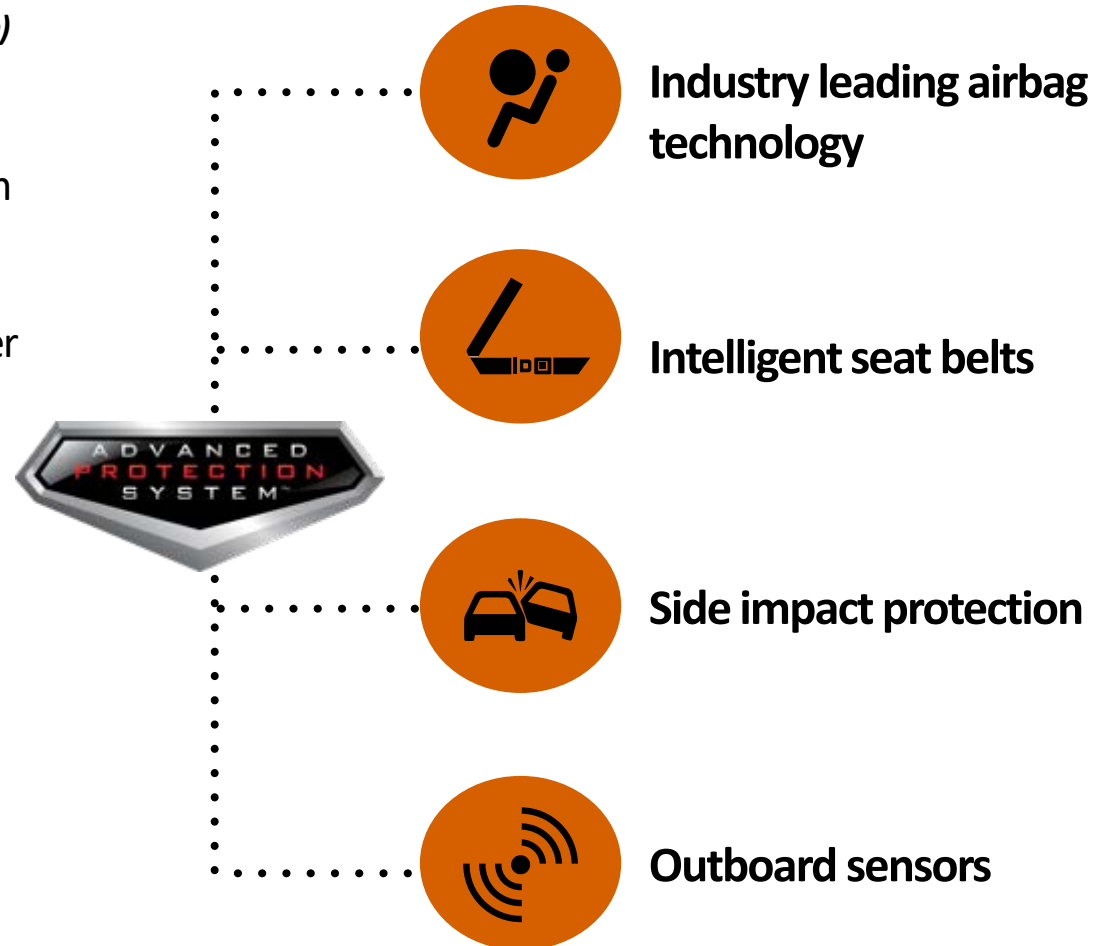


Spartan Independent Front Suspension (IFS)

- Outperforms category leader
 - Product performance
 - Value equation



Spartan Advanced Protection System®



STRATEGY AT WORK – ER



- A vertically integrated supplier of fabricated aluminum cabs for Spartan fire trucks and its OEM's
- Provides greater cost flexibility and helps insulate against potential supply chain disruptions
- Optimizes cost structure and quality control
- Located in Southeast Michigan
- Capacity to fabricate current needs









SPECIALTY VEHICLES



COMMAND
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SPECIALTY CHASSIS & VEHICLES (SCV)

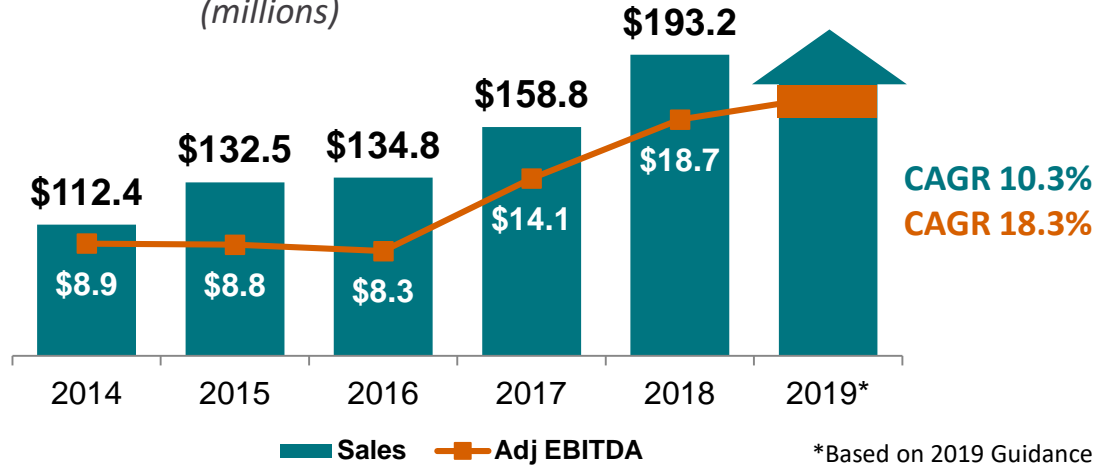
The “Premier Foundation” (custom chassis) for the Class A diesel Luxury Motor Coach (LMC) market, with a core competency in custom manufacturing and assembly for the light duty truck, specialty vehicle, and defense markets.

LMC Customers We Serve	LMC Chassis	Contract Manufacturing	EV / AV
			



SCV – BUSINESS SNAPSHOT

Sales & Adj. EBITDA
(millions)

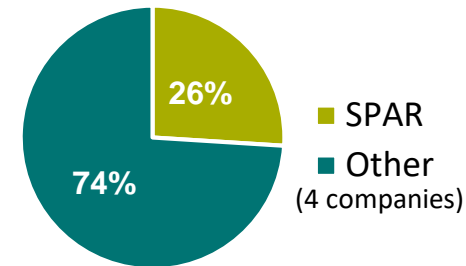


TAM: \$620M

(\$420M > 400HP | \$200M < 400HP)



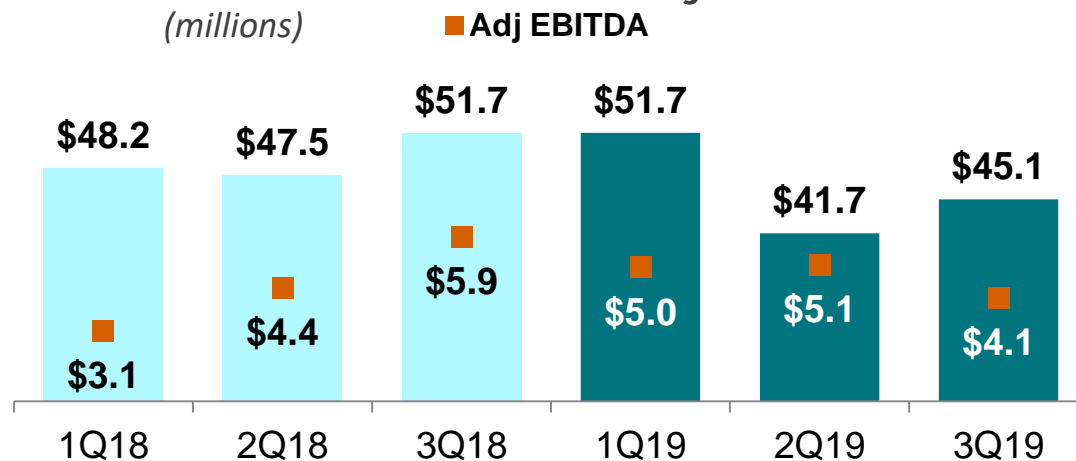
Class A Diesel >400hp



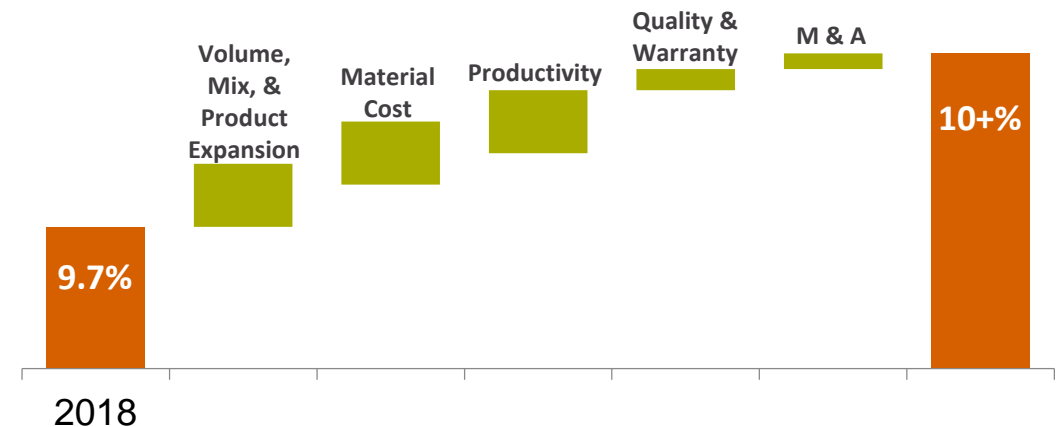
Spartan LMC market share has seen positive growth of 44% since 2014

Source: Statistical Surveys MarketScope, 1/2008 – 12/2018, U.S. Data and Management's estimates

3Q19 Sales and Adj. EBITDA
(millions)

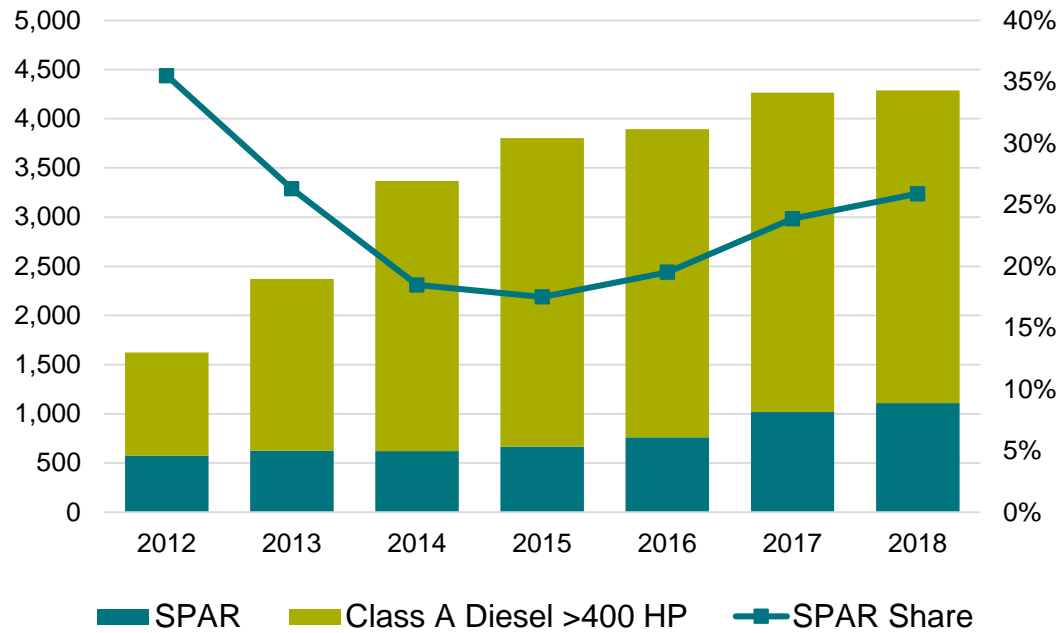


Financial Objective – Adj. EBITDA %



RV CHASSIS - CLASS A DIESEL LMC MARKET SHARE AND OUTLOOK

Spartan LMC market share has seen positive growth of 44% since 2014



Total Addressable Market

\$620 Million (\$420M > 400HP | \$200M < 400HP)

Spartan makes chassis for Class A Diesel > 400 HP - 26% share

STRATEGY AT WORK - LUXURY MOTOR COACH

- SCV increasing LMC market share with Entegra, Newmar, Foretravel, Jayco and NeXus manufacturers
 - Up 2% to 26% share in 2018 despite Class A Diesel industry being down 8%
 - Benefiting from new customer platform introductions that are gaining share
 - <400HP diesel growing as % of diesel
 - \$200M addressable market
- Industry trends should support continued momentum, including:
 - Population and demographic trends
 - “Active/outdoor lifestyle” continues to grow
 - RV manufacturers are broadening offerings

Source: Statistical Surveys MarketScope, 1/2008 – 12/2018, U.S. Data and Management's estimates



ACQUISITION UPDATE – ROYAL TRUCK BODY

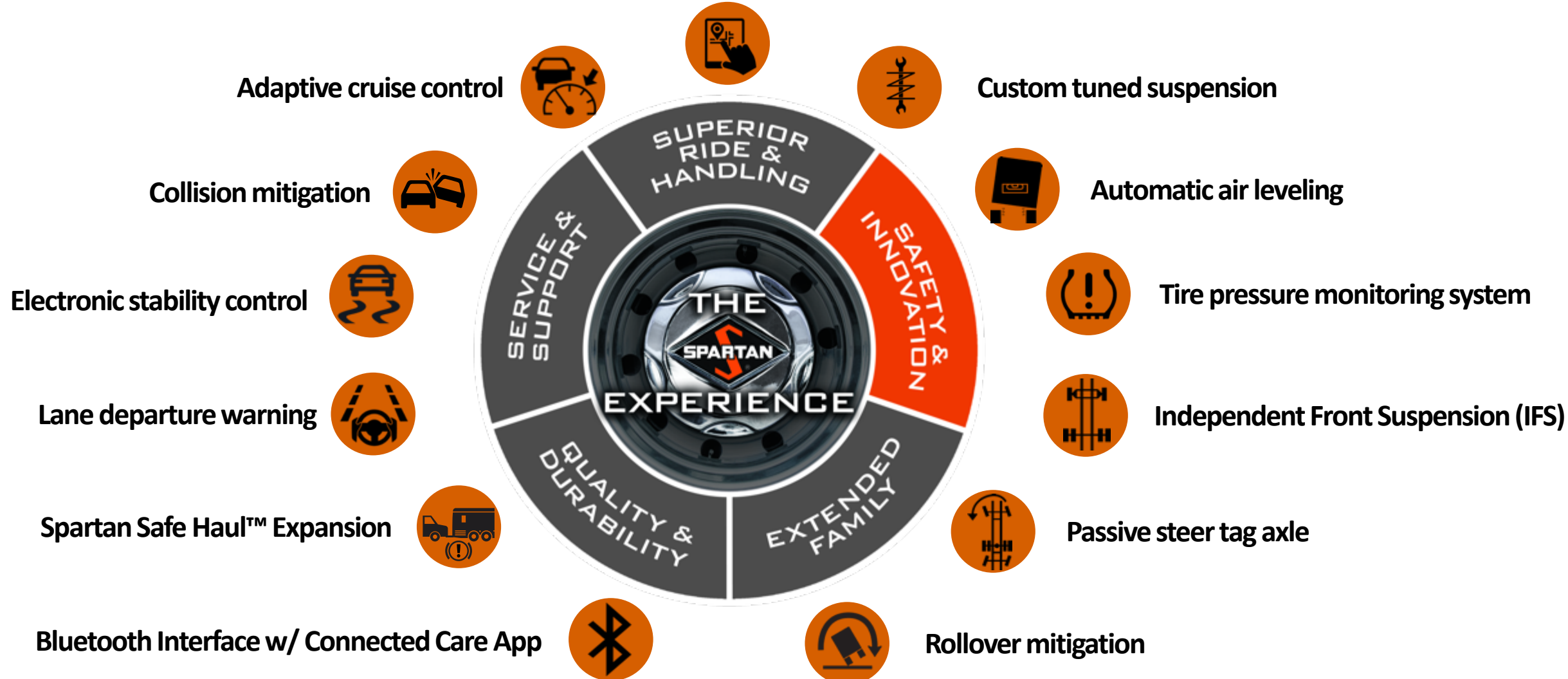
- Purchased Royal Truck Body
 - California based manufacturer of service truck bodies
 - \$90M in cash, or \$80M net of tax benefits
 - Full year revenues of approximately \$45M - \$50M
 - Adjusted EBITDA margins significantly higher than SCV margins
- Provides coast-to-coast geographic coverage
 - Six facilities located in California, Arizona and Texas
 - Together with General Truck Body, provides significant West Coast and Southwest truck body operations
 - Better serve current and prospective customers in the region
 - Expanded manufacturing capabilities
 - Fleet customers
 - New regional customers



SCV – FIRST-TO-MARKET INNOVATION

.....

Digital Dash v2.0



STRATEGY AT WORK – SCV

- Entered into an exclusive US based assembly agreement with Grande West Transportation Group
 - Assemble Vicinity model mid-size bus
- Contract manufacturing volume continues to be strong
- SCV continues to gain share in Class A Diesel luxury motor coach chassis market
 - SCV's >400HP market share grew to 27% through August, 2019



THE PATH FORWARD



Our Goal

To become #1 or #2 in each market we serve

Leading purpose-built vehicle manufacturer



Well-positioned

Focused management team
Operational improvements
Improved product portfolio
Customer-centric focus
Financial strength

Strengthen and grow the core business



Financial Objectives

\$1 Billion in Sales
~10% Adj. EBITDA Margins
Improved Cash Flows
Increase ROIC
Enhance shareholder returns

Accelerate the path forward



Shareholder Alignment

Management's long-term goals closely aligned with shareholders

Increase shareholder value

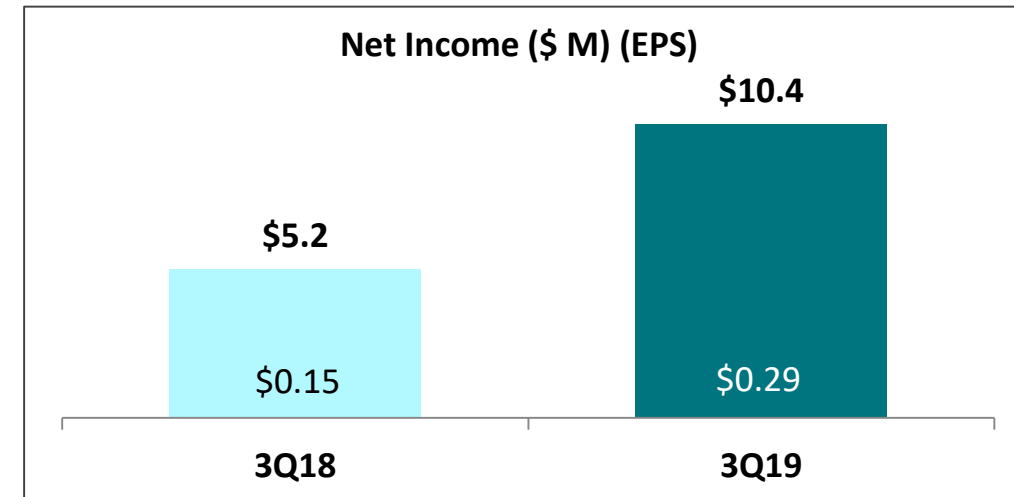
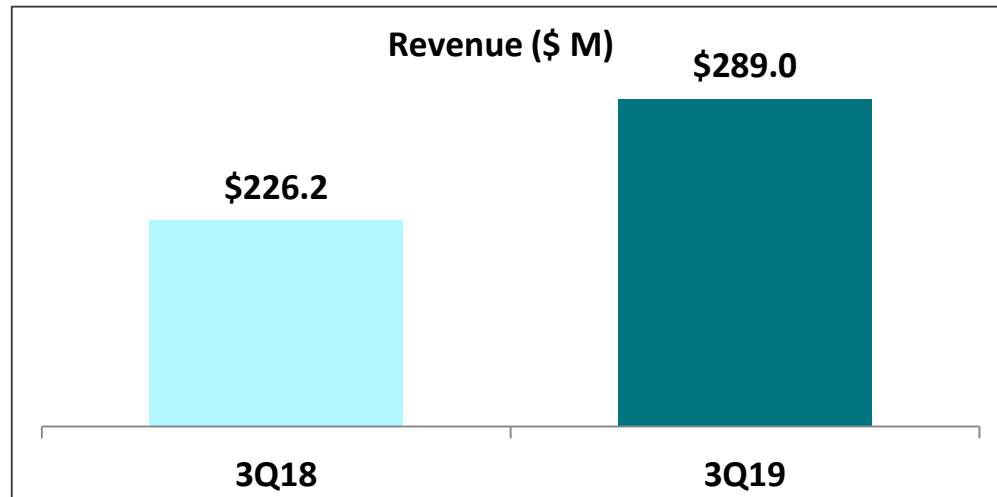


FINANCIAL REVIEW



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OVERVIEW – 3Q19 VS. 3Q18

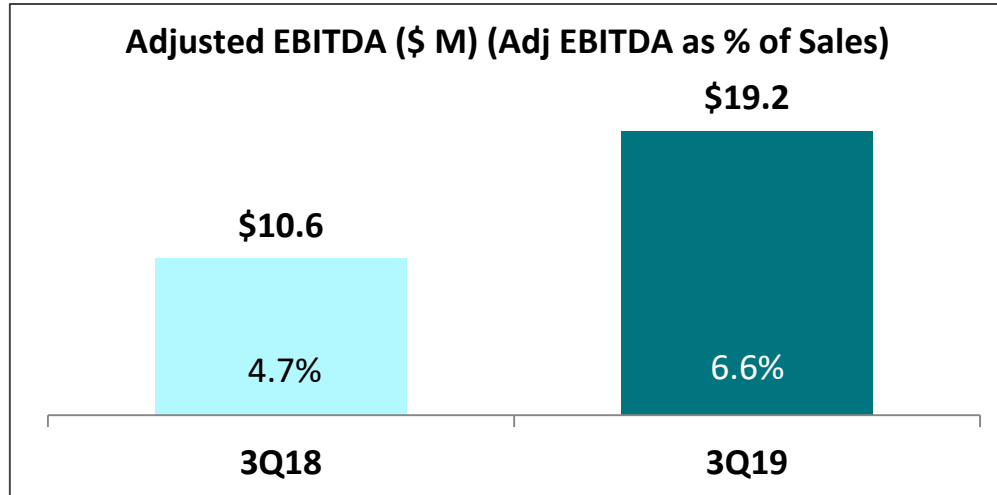


- Revenue for 3Q19 up \$62.8M, or 27.8%, to \$289.0M from \$226.2M
 - FVS up \$61.2M, or 51.6% – increased sales of delivery vehicles in all vehicle classes
 - ER up \$4.0M, or 6.6% – increased volume and higher pricing
 - SCV down \$6.6M, or 12.7% – higher contract manufacturing volume offset by a decrease in luxury motor coach sales

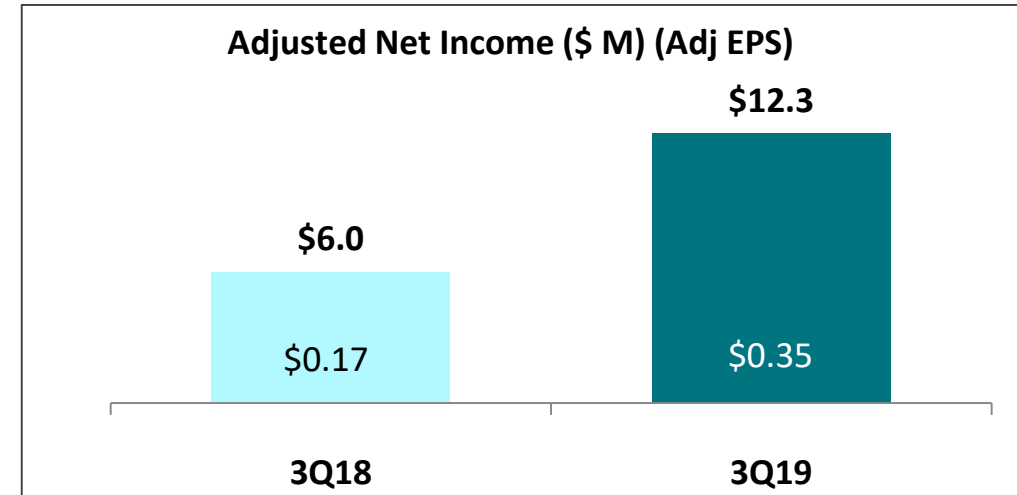
- Net Income for 3Q19 up \$5.1M, or 97.5%, to \$10.4M
 - Reflects FVS volume and favorable material costs resulting from offshore sourcing and improved pricing
 - Increased start-up costs for upfit orders in South Carolina, Kansas City and Mexico
- EPS increased \$0.14, or 93.3%, to \$0.29 from \$0.15 last year
- Excluding USPS backlog, 3Q19 backlog up 40.8%, or \$132.9M to \$458.8M



OVERVIEW – 3Q19 VS. 3Q18



- Adjusted EBITDA rose \$8.6M to \$19.2M
- Adjusted EBITDA margin increased 190 basis points to 6.6% of sales compared to 4.7% of sales
 - Primary driven by FVS volume, favorable material costs, pricing
 - Partially offset by start-up upfit and facility reconfiguration costs



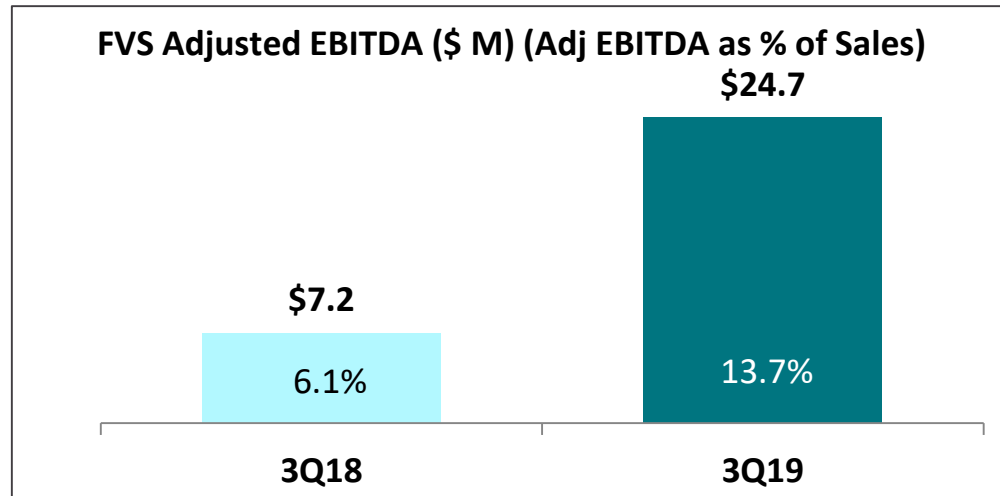
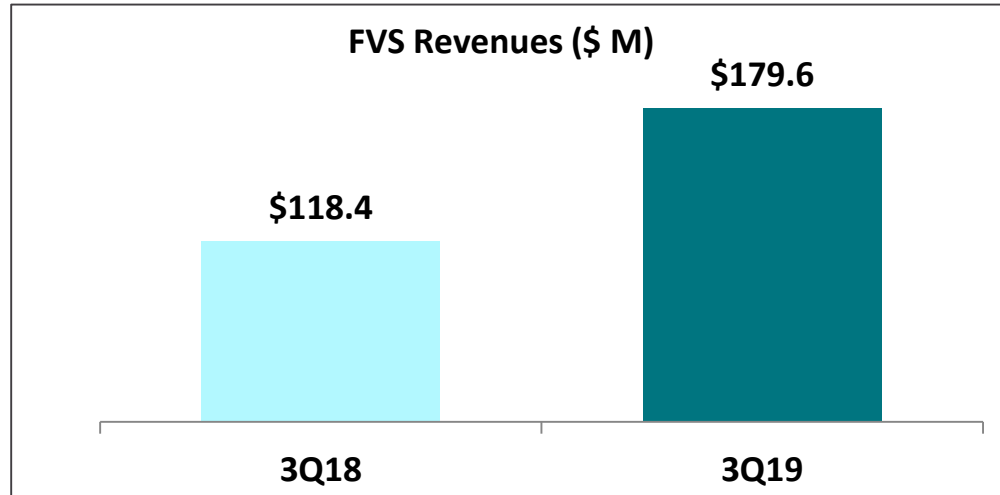
- Adjusted net income rose 106.0% to \$12.3M from \$6.0M
- Adjusted EPS of \$0.35 versus \$0.17 a year ago
- Backlog down 5.4% to \$458.8M from \$484.9M a year ago.
 - Excluding the unique USPS truck body order, backlog totaled \$458.8M, up 40.8% compared to \$325.9M in 2018



See GAAP reconciliation in Appendix

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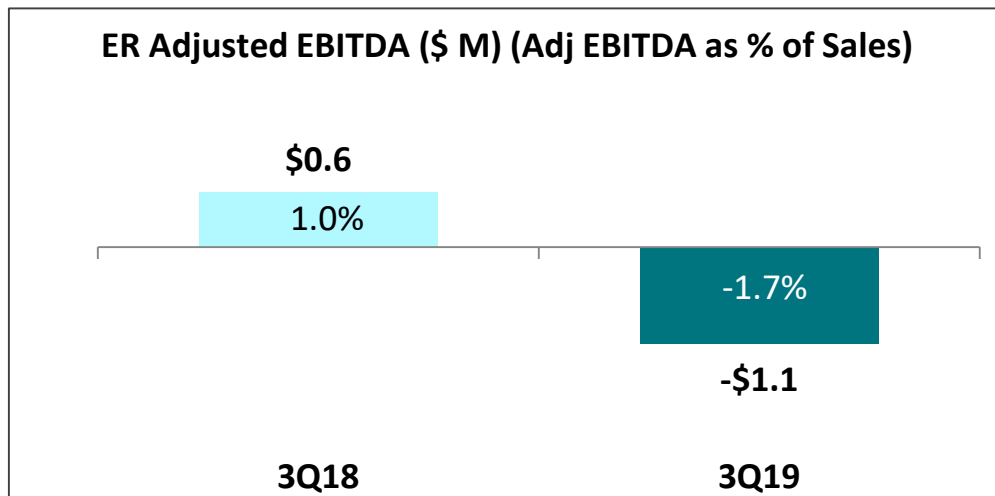
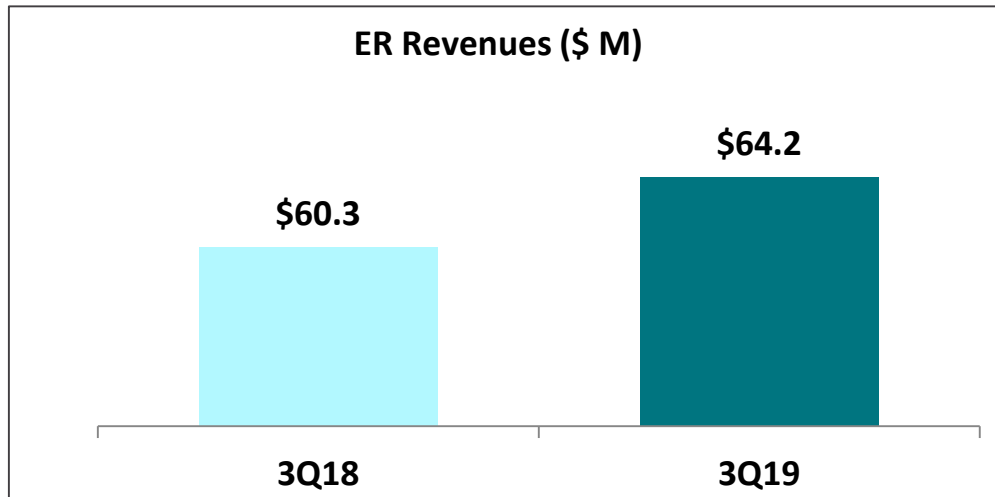
FLEET VEHICLES & SERVICES – 3Q19



- Revenue up \$61.2M to \$179.6M from \$118.4M
 - Increased sales of delivery vehicles in all classes as well as improved pricing
- Adjusted EBITDA increased by \$17.4M to \$24.7M from \$7.2M due to volume, more favorable material costs, and improved pricing, partially offset by upfit center start-up costs and facility reconfiguration
- Adjusted EBITDA margin increased 760 basis points to 13.7% of sales from 6.1%. Impacted by:
 - Favorable material costs resulting from increased offshore sourcing
 - Improved pricing
 - Upfit startup costs
 - Reconfiguration of the Bristol, Indiana facility.
- Excluding the USPS truck body order, backlog totaled \$223.8M, up \$107.6M or 93.0% compared to \$116.2 at September 30, 2018



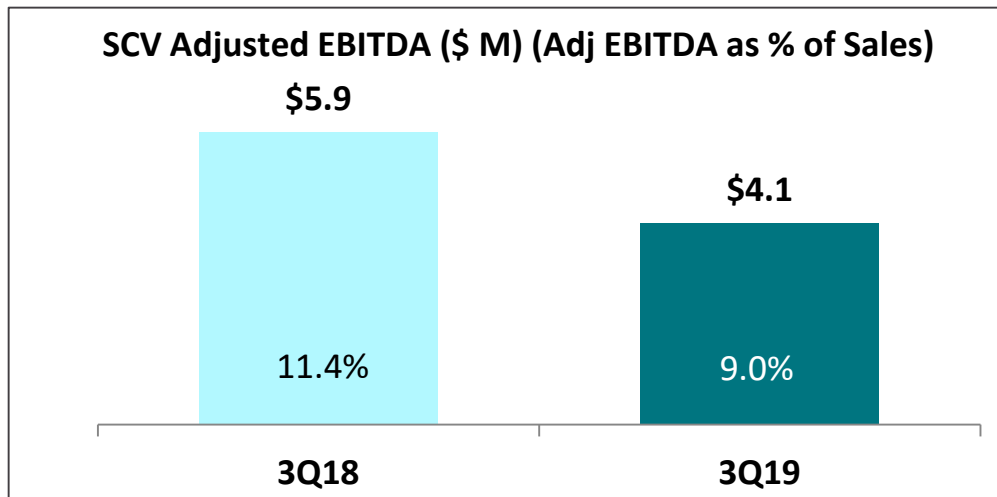
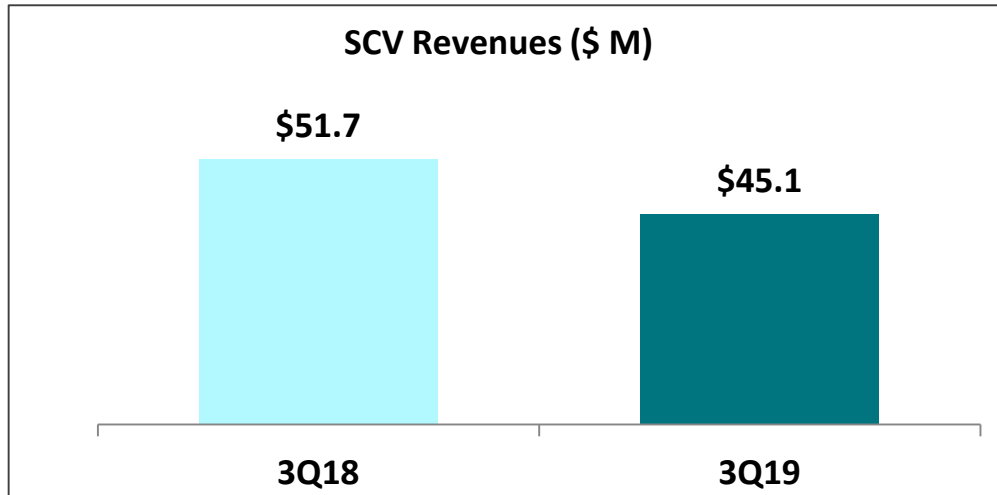
EMERGENCY RESPONSE – 3Q19



- Revenue up 6.6% to \$64.2M from \$60.3M
 - Increased volume and improved pricing
- Adjusted EBITDA fell \$1.7M to a loss of \$1.1M compared to a gain of \$0.6M last year
 - Mix, higher material costs, partially offset by pricing and volume
- Backlog up 11.1% to \$195.1M compared to \$175.7M a year ago



SPECIALTY CHASSIS & VEHICLES – 3Q19



- Revenue down \$6.6M, or 12.7%, to \$45.1M from \$51.7M last year
 - \$5.9M decrease in luxury motor coach chassis sales, offset by higher contract manufacturing
- SCV adjusted EBITDA decreased \$1.8M to \$4.1M from \$5.9M
- Adjusted EBITDA margin fell 240 basis points to 9.0% of sales from 11.4% of sales
 - Due to mix and increased manufacturing throughput
- Backlog up 17.5% to \$39.9M, compared to \$34.0M at September 30, 2018.



BALANCE SHEET – 3Q19

Spartan Motors, Inc.
Summary Balance Sheet
(unaudited)

(\$000's)	Sep 30, 2019	Dec 31, 2018
Assets		
Cash	\$ 15,019	\$ 27,439
Accts Receivable	112,455	106,801
Contract Assets	49,043	36,027
Inventory	87,936	69,992
PP&E	62,189	56,567
Right of Use Assets-Operating Leases	37,110	-
Other Assets	148,860	56,958
Total Assets	\$ 512,612	\$ 353,784
Liabilities & Shareholders' Equity		
Accts Payable	\$ 83,723	\$ 76,399
Long-term Operating Lease Liability	32,171	-
Long-term Debt	108,944	25,547
Other Liabilities	88,148	65,756
Total Liabilities	312,986	167,702
Shareholders' Equity	199,626	186,082
Total Liabilities & Equity	\$ 512,612	\$ 353,784
Total Liquidity		
Cash	\$ 15,019	\$ 27,439
Net Borrowing Capacity	41,219	86,410
Total Liquidity	\$ 56,238	\$ 113,849

- Total liquidity of \$56.2M at 3Q19 reflects:
 - \$15.0M cash on hand
 - \$41.2M of borrowing capacity
- Long-term debt of \$108.9M
 - Includes capital to support Royal Truck Body acquisition
 - Reflects \$5.0M paid down on the revolving credit facility post-acquisition
 - Paid additional \$10M down on revolver on October 21



APPENDIX



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

This presentation contains adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), which is a non-GAAP financial measure. This non-GAAP measure is calculated by excluding items that we believe to be infrequent or not indicative of our continuing operating performance. For the periods covered by this release such items include expenses associated with restructuring actions taken to improve the efficiency and profitability of our manufacturing operations, various items related to business acquisition and litigation activities, and the impact executive severance and stock based compensation.

We present the non-GAAP measure adjusted EBITDA because we consider it to be an important supplemental measure of our performance. The presentation of adjusted EBITDA enables investors to better understand our operations by removing items that we believe are not representative of our continuing operations and may distort our longer term operating trends. We believe this measure to be useful to improve the comparability of our results from period to period and with our competitors, as well as to show ongoing results from operations distinct from items that are infrequent or not indicative of our continuing operating performance. We believe that presenting this non-GAAP measure is useful to investors because it permits investors to view performance using the same tools that management uses to budget, make operating and strategic decisions, and evaluate our historical performance. We believe that the presentation of this non-GAAP measure, when considered together with the corresponding GAAP financial measures and the reconciliations to that measure, provides investors with additional understanding of the factors and trends affecting our business than could be obtained in the absence of this disclosure.

Our management uses adjusted EBITDA to evaluate the performance of and allocate resources to our segments. Adjusted EBITDA is also used, along with other financial and non-financial measures, for purposes of determining certain incentive compensation for our management team.



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Financial Summary (Non-GAAP) Consolidated

(In thousands, except per share data)
(Unaudited)

(\$000)	Three Months Ended March 31,	
Spartan Motors, Inc.	2019	2018
Net income attributable to Spartan Motors, Inc.	\$1,397	\$4,194
Add (subtract):		
Restructuring charges	112	20
Joint venture expenses	27	-
Acquisition related expenses	45	162
Litigation costs	16	-
Nebraska flooding costs	123	-
Purchase accounting impact	-	(1,500)
Deferred tax asset adjustment	(99)	74
Tax effect of adjustments	(78)	315
Adjusted net income attributable to Spartan Motors, Inc.	<u>\$1,543</u>	<u>\$3,265</u>
Net income attributable to Spartan Motors, Inc.	\$1,397	\$4,194
Add (subtract):		
Depreciation and amortization	2,525	2,452
Taxes on income	13	(48)
Interest expense	374	323
EBITDA	<u>\$4,309</u>	<u>\$6,921</u>
Add (subtract):		
Restructuring charges	112	20
Joint venture expenses	27	-
Acquisition related expenses	45	162
Litigation costs	16	-
Nebraska flooding costs	123	-
Purchase accounting impact	-	(1,500)
Adjusted EBITDA	<u>\$4,632</u>	<u>\$5,603</u>
Diluted net earnings per share	\$0.04	\$0.12
Add (subtract):		
Restructuring charges	0.00	0.00
Joint venture expenses	0.00	-
Acquisition related expenses	0.00	0.00
Litigation costs	0.00	-
Nebraska flooding costs	0.00	-
Purchase accounting impact	-	(0.04)
Deferred tax asset adjustment	(0.00)	0.00
Tax effect of adjustments	(0.00)	0.01
Adjusted diluted net earnings per share	<u>\$0.04</u>	<u>\$0.09</u>

Financial Summary (Non-GAAP) Consolidated

(In thousands, except per share data)
(Unaudited)

(\$000)	Three Months Ended June 30,	
Spartan Motors, Inc.	2019	2018
Net income attributable to Spartan Motors, Inc.	\$3,504	\$3,740
Add (subtract):		
Restructuring charges	71	797
Impact of acquisition adjustments for net working capital	-	(693)
Joint venture expenses	9	-
Joint venture inventory adjustment	216	-
Acquisition related expenses including stock compensation	745	373
Recall expense	777	(443)
Long term strategic planning expenses	-	718
Executive compensation plan	273	-
DTA valuation allowance	33	-
Tax effect of adjustments	(499)	(178)
Adjusted net income attributable to Spartan Motors, Inc.	<u>\$5,129</u>	<u>\$4,314</u>
Net income attributable to Spartan Motors, Inc.	\$3,504	\$3,740
Add (subtract):		
Depreciation and amortization	2,515	2,586
Taxes on income	1,063	1,537
Interest expense	313	270
EBITDA	<u>\$7,395</u>	<u>\$8,133</u>
Add (subtract):		
Restructuring charges	71	797
Impact of acquisition adjustments for net working capital	-	(693)
Joint venture expenses	9	-
Joint venture inventory adjustment	216	-
Acquisition related expenses including stock compensation	745	373
Recall expense	777	(443)
Long term strategic planning expenses	-	718
Executive compensation plan	273	-
Adjusted EBITDA	<u>\$9,486</u>	<u>\$8,885</u>
Diluted net earnings per share	\$0.10	\$0.11
Add (subtract):		
Restructuring charges	-	0.02
Impact of acquisition adjustments for net working capital	-	(0.02)
Joint venture inventory adjustment	0.01	-
Acquisition related expenses including stock compensation	0.02	0.01
Recall expense	0.02	(0.01)
Long term strategic planning expenses	-	0.02
Executive compensation plan	0.01	-
Tax effect of adjustments	(0.01)	(0.01)
Adjusted diluted net earnings per share	<u>\$0.15</u>	<u>\$0.12</u>



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Financial Summary (Non-GAAP)

Consolidated

(In thousands, except per share data)
(Unaudited)

(\$000)

Spartan Motors, Inc.

Net income attributable to Spartan Motors, Inc.

Add (subtract):

Restructuring charges

Acquisition related expenses including stock compensation

Recall expense

Long term strategic planning expenses

Executive compensation plan

Litigation costs

Severance costs

DTA valuation allowance

Tax effect of adjustments

Adjusted net income attributable to Spartan Motors, Inc.

Net income attributable to Spartan Motors, Inc.

Add (subtract):

Depreciation and amortization

Taxes on income

Interest expense

EBITDA

Add (subtract):

Restructuring charges

Acquisition related expenses including stock compensation

Litigation costs

Recall expense

Long term strategic planning expenses

Executive compensation plan

Severance costs

Adjusted EBITDA

Diluted net earnings per share

Add (subtract):

Restructuring charges

Acquisition related expenses including stock compensation

Litigation costs

Long term strategic planning expenses

Executive compensation plan

Severance costs

DTA valuation allowance

Tax effect of adjustments

Adjusted diluted net earnings per share

Three Months Ended September 30,

2019

2018

\$10,354

\$5,243

137

501

1,684

267

-

112

-

277

531

-

-

321

234

-

-

(373)

(605)

(360)

\$12,335

\$5,988

\$10,354

\$5,243

2,691

2,600

3,423

1,037

144

225

\$16,612

\$9,105

137

501

1,684

267

-

321

-

112

-

277

531

-

234

-

\$19,198

\$10,583

\$0.29

\$0.15

-

0.01

0.05

0.01

-

0.01

-

0.01

0.02

-

0.01

-

-

(0.01)

(0.02)

(0.01)

\$0.35

\$0.17

Financial Summary (Non-GAAP)

Consolidated

(In thousands, except per share data)

(Unaudited)

Forecast

Year Ending December 31, 2019

Low

Mid

High

Net income

\$ 27,314

\$ 28,037

\$ 28,759

Add:

Depreciation and amortization

9,885

9,885

9,885

Interest expense

2,518

2,518

2,518

Taxes

6,800

7,000

7,200

EBITDA

\$ 46,517

\$ 47,440

\$ 48,362

Add (subtract):

Restructuring charges

5,362

5,362

5,362

Adjusted EBITDA

\$ 51,879

\$ 52,802

\$ 53,724

Earnings per share

\$ 0.77

\$ 0.79

\$ 0.81

Add:

Restructuring charges

0.15

0.15

0.15

Less tax effect of adjustments

(0.03)

(0.03)

(0.03)

Adjusted earnings per share

\$ 0.89

\$ 0.91

\$ 0.93



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Financial Summary (Non-GAAP)

Consolidated

(In thousands, except per share data)
(Unaudited)

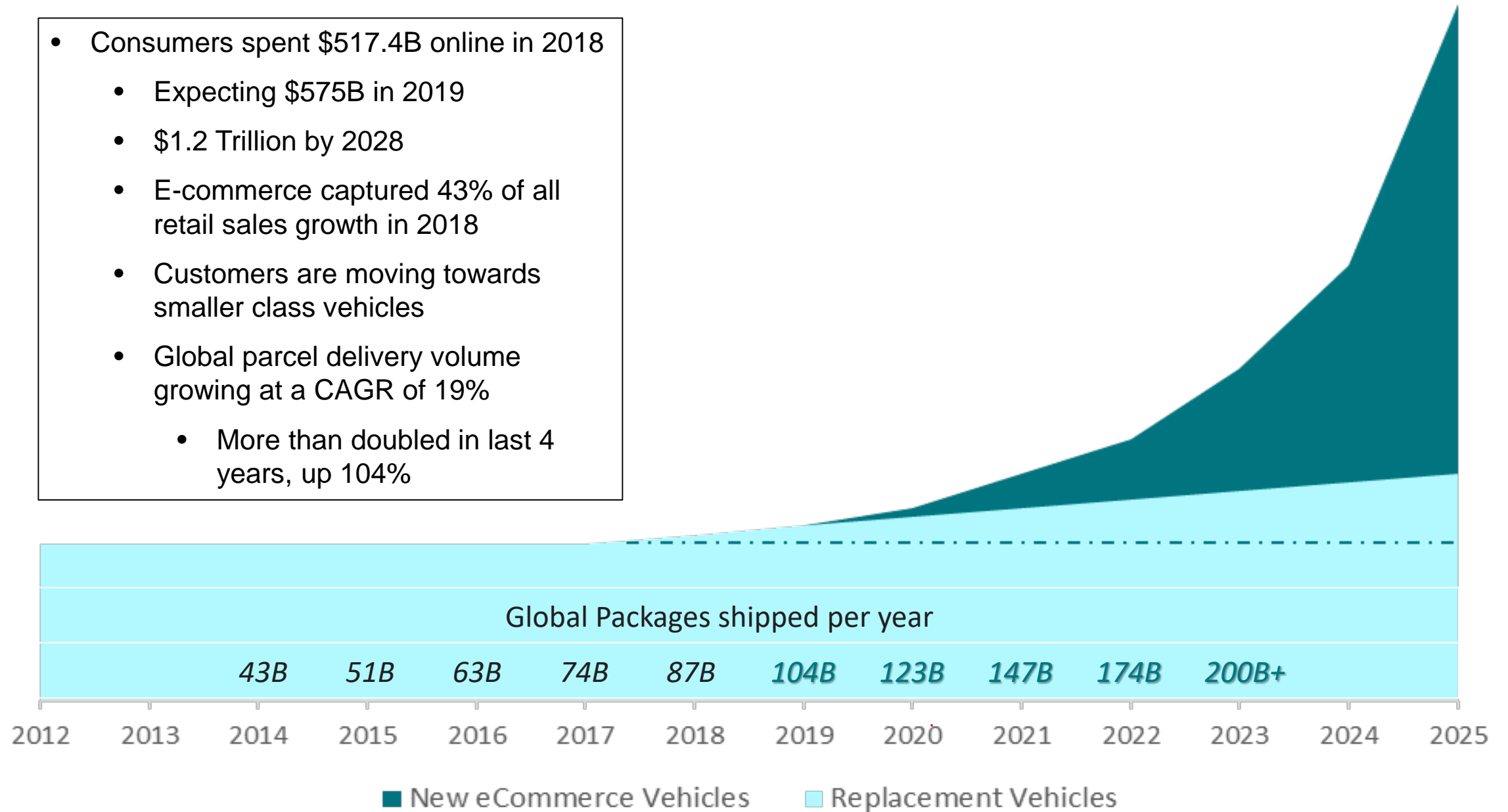
(\$000)	Twelve Months Ended December 31,				
Spartan Motors, Inc.	2018	2017	2016	2015	2014
Net income attributable to Spartan Motors, Inc.	\$15,012	\$15,935	\$8,610	(\$16,972)	\$1,029
Add (subtract):					
Restructuring charges	1,881	1,252	1,095	2,855	2,157
Asset impairments	-	-	406	2,234	-
Joint venture expenses	-	1	7	508	289
Impact of acquisition on timing of chassis revenue recognition	-	2,073	-	-	-
Acquisition related expenses	1,952	1,543	882	-	-
NHTSA settlement	-	-	-	2,269	-
Recall expense	(46)	(368)	3,457	8,600	-
Long term strategic planning expenses	995	-	-	-	-
Litigation settlement	447	-	-	-	-
Purchase accounting impact-net working capital	(2,193)	-	-	-	-
Deferred tax asset adjustment	(313)	(3,260)	(2,932)	9,472	-
Tax effect of adjustments	(729)	(2,289)	(460)	(2,392)	-
Adjusted net income attributable to Spartan Motors, Inc.	<u>\$17,006</u>	<u>\$14,887</u>	<u>\$11,065</u>	<u>\$6,574</u>	<u>\$3,475</u>
Net income attributable to Spartan Motors, Inc.	\$15,012	\$15,935	\$8,610	(\$16,972)	\$1,029
Add (subtract):					
Depreciation and amortization	10,370	9,937	7,903	7,437	8,378
Taxes on income	2,261	90	100	4,880	(2,103)
Interest expense	<u>1,080</u>	<u>864</u>	<u>410</u>	<u>365</u>	<u>341</u>
EBITDA	<u>\$28,723</u>	<u>\$26,826</u>	<u>\$17,023</u>	<u>(\$4,290)</u>	<u>\$7,645</u>
Add (subtract):					
Restructuring charges	1,881	1,252	1,095	2,855	2,157
Asset impairments	-	-	406	2,234	-
Joint venture expenses	0	1	7	508	289
Impact of acquisition on timing of chassis revenue recognition	-	2,073	-	-	-
Acquisition related expenses	1,952	1,543	882	-	-
NHTSA settlement	-	-	-	2,269	-
Recall expense	(46)	(368)	3,457	8,600	-
Long term strategic planning expenses	995	-	-	-	-
Litigation settlement	447	-	-	-	-
Purchase accounting impact-net working capital	(2,193)	-	-	-	-
Adjusted EBITDA	<u>\$31,759</u>	<u>\$31,327</u>	<u>\$22,870</u>	<u>\$22,267</u>	<u>\$10,091</u>
Diluted net earnings per share	\$0.43	\$0.46	\$0.25	(\$0.50)	\$0.03
Add (subtract):					
Restructuring charges	0.05	0.04	0.03	0.08	0.06
Asset impairments	-	-	0.01	0.07	-
Joint venture expenses	-	0.00	0.00	0.02	0.01
Impact of acquisition on timing of chassis revenue recognition	-	0.06	-	-	-
Acquisition related expenses	0.06	0.04	0.03	-	-
NHTSA settlement	-	-	-	0.07	-
Recall expense	-	(0.01)	0.10	0.25	-
Long term strategic planning expenses	0.03	-	-	-	-
Litigation settlement	0.01	-	-	-	-
Purchase accounting impact-net working capital	(0.06)	-	-	-	-
Deferred tax asset valuation allowance	(0.01)	(0.09)	(0.09)	0.28	-
Tax effect of adjustments	<u>(0.02)</u>	<u>(0.07)</u>	<u>(0.01)</u>	<u>(0.07)</u>	<u>-</u>
Adjusted diluted net earnings per share	<u>\$0.48</u>	<u>\$0.43</u>	<u>\$0.32</u>	<u>\$0.20</u>	<u>\$0.10</u>





COMMAND
YOUR ROAD

- Consumers spent \$517.4B online in 2018
 - Expecting \$575B in 2019
 - \$1.2 Trillion by 2028
 - E-commerce captured 43% of all retail sales growth in 2018
 - Customers are moving towards smaller class vehicles
 - Global parcel delivery volume growing at a CAGR of 19%
 - More than doubled in last 4 years, up 104%



Source: FTI Consulting, Pitney Bowes and Management's estimates
 Anticipated simulation not necessarily representative of actual