

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): November 1, 2017

SPARTAN MOTORS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Michigan
(State or Other Jurisdiction
of Incorporation)

0-13611
(Commission File No.)

38-2078923
(IRS Employer
Identification No.)

1541 Reynolds Road, Charlotte, Michigan
(Address of Principal Executive Offices)

48813
(Zip Code)

517-543-6400
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Section Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition

On November 1, 2017, Spartan Motors, Inc. issued a press release announcing its financial results for the quarter ended September 30, 2017, along with an accompanying investor presentation. Copies of the press release and investor presentation are attached to this Current Report as Exhibits 99.1 and 99.2.

The information in this Item 2.02 and the attached Exhibits 99.1 and 99.2 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1 [Press Release dated November 1, 2017 regarding the financial results for the quarter ended September 30, 2017.](#)

99.2 [Investor presentation dated November 1, 2017 regarding the financial results for the quarter ended September 30, 2017.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SPARTAN MOTORS, INC.

Dated: November 1, 2017

/s/ Frederick J. Sohm

By: Frederick J. Sohm

Its: Chief Financial Officer and Treasurer



SPARTAN MOTORS

1541 Reynolds Rd. Charlotte, MI 48813 | P: 517.543.6400

SPARTANMOTORS.COM

SPARTAN MOTORS REPORTS THIRD QUARTER NET INCOME OF

\$13.5 MILLION; INCREASES 391%, ON 27% SALES GROWTH

THIRD-QUARTER EPS OF \$0.38; REAFFIRMS 2017 SALES AND ADJUSTED EBITDA GUIDANCE

CHARLOTTE, Mich., November 1, 2017 - Spartan Motors, Inc. (NASDAQ: SPAR) ("Spartan" or the "Company") today reported operating results for the third quarter ending September 30, 2017. The Company reported net income of \$13.5 million, or \$0.38 per share, compared to \$2.7 million, or \$0.08 per share, in the third quarter of 2016.

THIRD QUARTER 2017 HIGHLIGHTS

For the third quarter of 2017 compared to the third quarter of 2016:

- Sales increased 27.3% to \$189.2 million from \$148.7 million.
- Gross margin improved 300 basis points, or 24.8%, to 15.1% of sales compared to 12.1% of sales.
- Net income rose \$10.7 million, or 390.9%, to \$13.5 million, or \$0.38 per share, and reflects the release of a \$6.3 million, or \$0.18 per share, tax valuation allowance recorded in 2015, as a result of the Company's improved financial condition. This compares to net income of \$2.7 million, or \$0.08 per share, in the prior year.
- Adjusted EBITDA increased \$5.5 million, or 74.9%, to \$12.9 million, or 6.8% of sales, compared to \$7.4 million, or 5.0% of sales.
- Adjusted net income rose 119.7% to \$7.4 million, or \$0.21 per share, which excludes the \$6.3 million, or \$0.18 per share, tax valuation allowance adjustment. This compares to adjusted net income of \$3.4 million, or \$0.10 per share, in the prior year.
- Emergency Response segment was profitable on both a GAAP and an adjusted basis – achieving \$2.5 million of adjusted EBITDA.
- Backlog was up 97.6% to \$537.7 million at September 30, 2017, and reflects the recently announced \$214 million USPS order and the acquisition of Smeal in January 2017. This compares to \$272.1 million at September 30, 2016.

"We are very pleased with the strong operating results achieved for the quarter," said Daryl Adams, President and Chief Executive Officer of Spartan Motors. "Not only does it represent, on an adjusted basis, our seventh profitable quarter in a row, it also highlights a significant milestone as our Emergency Response segment returned to profitability generating \$2.5 million of adjusted EBITDA for the quarter – up \$3.7 million from last year. Our strong financial performance across all business segments reflects a continued focus on sales growth and operational performance by the entire Spartan team."

Fleet Vehicles and Services (FVS) Third Quarter Results

FVS segment sales increased \$0.6 million to \$78.6 million from \$78.0 million.

Adjusted EBITDA decreased \$1.3 million to \$8.8 million, or 11.2% of sales, from \$10.1 million, or 13.0% of sales, a year ago, primarily due to a large upfit order that did not reoccur in 2017, offset by lean manufacturing activities and the continued implementation of the Spartan Production System.

Segment backlog at September 30, 2017 totaled \$292.5 million, up 186.2%, and reflects the recently announced \$214 million USPS order. This compares to \$102.2 million at September 30, 2016.

Specialty Chassis & Vehicles (SCV) Third Quarter Results

SCV segment revenue increased \$18.2 million, or 59.0%, to \$49.0 million from \$30.8 million. Sales of motorhome chassis increased 65.7% to \$37.0 million from \$22.3 million, due primarily to increased shipments as a result of market share gains.

Adjusted EBITDA increased \$3.8 million, or 287.1%, to \$5.1 million, or 10.5% of sales, from \$1.3 million, or 4.3% of sales, a year ago, primarily due to increased sales and improved operational performance.

Segment backlog at September 30, 2017 totaled \$31.9 million, up 58.4%, compared to \$20.1 million at September 30, 2016.

Emergency Response (ER) Third Quarter Results

ER segment revenue increased \$23.8 million, or 56.4%, to \$65.9 million from \$42.1 million. Revenues from the Smeal acquisition contributed to \$17.3 million of the increase, with the remaining increase due to increased shipments of complete fire apparatus.

Adjusted EBITDA increased \$3.7 million to \$2.5 million, or 3.8% of sales, from a loss of \$1.2 million a year ago. The increase was primarily the result of increased sales, improved operational performance and warranty cost reduction. Adjusted EBITDA loss in the 2016 third quarter included an adjustment of \$1.7 million relating to a legacy product recall.

Segment backlog at September 30, 2017 totaled \$213.3 million, up 42.4%, compared to \$149.8 million at September 30, 2016.

Acquisition Update

Smeal Fire Apparatus Co. ("Smeal"), which was acquired effective January 1, 2017, is expected to generate approximately \$105 million in sales during 2017.

"The tireless efforts of our Spartan integration team are inspiring as we continue to realize more synergies than originally anticipated," said Adams. "The integration is running ahead of schedule and we will complete the process during the current fourth quarter. We expect the entire Emergency Response segment to be profitable on both a GAAP and an adjusted basis in the fourth quarter of 2017, and it remains on track to return to profitability on an adjusted basis for full year 2017."

Fourth Quarter and 2017 Outlook

“Looking ahead to the fourth quarter of 2017, which typically has lower sales volumes than the third quarter, we expect to see continued year-over-year sales growth and improved operational performance resulting in eight profitable quarters in a row, on an adjusted basis,” said Rick Sohm, Chief Financial Officer of Spartan Motors.

Based on the Company’s improved earnings trend over the past seven quarters, the valuation allowance recorded in 2015 on certain deferred tax assets was reversed and, as a result, its effective tax rate going forward will be more closely aligned with the statutory rate. This will impact the 2017 fourth quarter and, accordingly, our adjusted EPS guidance for the full year.

The Company is maintaining its previously stated 2017 revenue and adjusted EBITDA mid-point guidance and modifying the income tax expense and adjusted earnings per share guidance as follows:

- Revenue of \$690.0 - \$710.0 million.
- Adjusted EBITDA of \$29.3 - \$30.3 million.
- A tax benefit of \$3.7 million recorded in the 2017 third quarter and an expected effective tax rate of approximately 35% in the 2017 fourth quarter.
- Adjusted earnings per share of \$0.40 to \$0.42, which excludes the \$6.3 million, or \$0.18 per share, tax valuation allowance adjustment recorded in the 2017 third quarter and includes the impact of the expected fourth quarter income tax expense.

Conference Call, Webcast, Investor Presentation and Investor Information

Spartan Motors will host a conference call for analysts and portfolio managers at 10 a.m. ET today to discuss these results and current business trends. The conference call and webcast will be available via:

Webcast: www.spartanmotors.com (Click on “Investor Relations” then “Webcasts”)

Conference Call: 1-844-868-8845 (domestic) or 412-317-6591 (international); passcode: 10113640

For more information about Spartan, please visit www.spartanmotors.com.

About Spartan Motors

Spartan Motors, Inc. is a leading designer, engineer, manufacturer and marketer of a broad range of specialty vehicles, specialty chassis, vehicle bodies and parts for the fleet and delivery, recreational vehicle (RV), emergency response, defense forces and contract assembly (light/medium duty truck) markets. The Company’s brand names — Spartan Motors, Spartan Specialty Vehicles, Spartan Emergency Response, Spartan Parts and Accessories, Smeal and its family of brands, including Ladder Tower™ and UST®; and Utilimaster®, a Spartan Motors Company — are known for quality, durability, performance, customer service and first-to-market innovation. The Company employs approximately 2,200 associates, and operates facilities in Michigan, Indiana, Pennsylvania, Missouri, Wisconsin, Nebraska, South Dakota; Saltillo, Mexico; and Lima, Peru. Spartan reported sales of \$591 million in 2016. Visit Spartan Motors at www.spartanmotors.com.

This release 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 release 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 release, whether as a result of new information, future events, or otherwise.

CONTACT:

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Spartan Motors, Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands, except par value)

	September 30, 2017 (Unaudited)	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 21,855	\$ 32,041
Accounts receivable, less allowance of \$191 and \$487	93,682	65,441
Inventories	95,070	58,896
Income taxes receivable	-	1,287
Other current assets	4,482	4,526
Total current assets	<u>215,089</u>	<u>162,191</u>
Property, plant and equipment, net	55,984	53,116
Goodwill	27,489	15,961
Intangible assets, net	9,642	6,385
Other assets	2,872	2,331
Net deferred tax assets	9,790	3,310
TOTAL ASSETS	<u>\$ 320,866</u>	<u>\$ 243,294</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 55,000	\$ 31,336
Accrued warranty	19,786	19,334
Accrued compensation and related taxes	12,043	13,188
Deposits from customers	26,950	16,142
Other current liabilities and accrued expenses	12,461	7,659
Current portion of long-term debt	49	65
Total current liabilities	<u>126,289</u>	<u>87,724</u>
Long-term debt, less current portion	22,840	74
Other non-current liabilities	5,103	2,544
Total liabilities	<u>154,232</u>	<u>90,342</u>
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, no par value: 2,000 shares authorized (none issued)	-	-
Common stock, \$0.01 par value; 80,000 shares authorized; 35,087 and 34,383 outstanding	351	344
Additional paid in capital	78,773	76,837
Retained earnings	88,168	76,428
Total Spartan Motors, Inc. shareholders' equity	<u>167,292</u>	<u>153,609</u>
Non-controlling interest	(658)	(657)
Total shareholders' equity	<u>166,634</u>	<u>152,952</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 320,866</u>	<u>\$ 243,294</u>

Spartan Motors, Inc. and Subsidiaries
Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Sales	\$ 189,215	\$ 148,664	\$ 526,029	\$ 444,927
Cost of products sold	160,564	130,571	461,327	390,206
Restructuring charge	-	83	156	83
Gross profit	28,651	18,010	64,546	54,638
Operating expenses:				
Research and development	1,598	1,377	5,265	4,408
Selling, general and administrative	17,057	13,820	48,160	41,782
Restructuring charge	232	221	1,044	788
Total operating expenses	18,887	15,418	54,469	46,978
Operating income	9,764	2,592	10,077	7,660
Other income (expense):				
Interest expense	(189)	(112)	(582)	(314)
Interest and other income	159	151	438	305
Total other income (expense)	(30)	39	(144)	(9)
Income before taxes	9,734	2,631	9,933	7,651
Taxes	(3,736)	(113)	(3,561)	(11)
Net Income	13,470	2,744	13,494	7,662
Less: net loss attributable to non-controlling interest	-	(1)	(1)	(6)
Net income attributable to Spartan Motors Inc.	\$ 13,470	\$ 2,745	\$ 13,495	\$ 7,668
Basic net earnings per share	\$ 0.38	\$ 0.08	\$ 0.39	\$ 0.22
Diluted net earnings per share	\$ 0.38	\$ 0.08	\$ 0.39	\$ 0.22
Basic weighted average common shares outstanding	35,105	34,439	34,882	34,406
Diluted weighted average common shares outstanding	35,105	34,439	34,882	34,406

Spartan Motors, Inc. and Subsidiaries
Sales and Other Financial Information by Business Segment
Unaudited

Three Months Ended September 30, 2017 (in thousands of dollars)

	Business Segments				Consolidated
	Emergency Response	Fleet Vehicles & Services	Specialty Chassis & Vehicles	Other	
Emergency response vehicle sales	\$ 63,369	\$ -	\$ -	\$ -	\$ 63,369
Fleet vehicle sales	-	66,850	4,312	(4,312)	66,850
Motorhome chassis sales	-	-	37,034	-	37,034
Other specialty chassis and vehicles	-	-	4,738	-	4,738
Aftermarket parts and assemblies	2,503	11,787	2,934	-	17,224
Total Sales	\$ 65,872	\$ 78,637	\$ 49,018	\$ (4,312)	\$ 189,215
Adjusted EBITDA	\$ 2,501	\$ 8,785	\$ 5,149	\$ (3,541)	\$ 12,894

Spartan Motors, Inc. and Subsidiaries
Sales and Other Financial Information by Business Segment
Unaudited

Three Months Ended September 30, 2016 (in thousands of dollars)

	Business Segments				Consolidated
	Emergency Response	Fleet Vehicles & Services	Specialty Chassis & Vehicles	Other	
Emergency response vehicle sales	\$ 40,185	\$ -	\$ -	\$ -	\$ 40,185
Fleet vehicle sales	-	57,422	2,244	(2,244)	57,422
Motorhome chassis sales	-	-	22,344	-	22,344
Other specialty chassis and vehicles	-	-	4,091	-	4,091
Aftermarket parts and assemblies	1,934	20,537	2,151	-	24,622
Total Sales	\$ 42,119	\$ 77,959	\$ 30,830	\$ (2,244)	\$ 148,664
Adjusted EBITDA	\$ (1,166)	\$ 10,118	\$ 1,330	\$ (2,909)	\$ 7,373

Sales and Other Financial Information by Business Segment
(Unaudited)

Period End Backlog (amounts in thousands of dollars)

	Sept. 30, 2017	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Emergency Response Vehicles*	\$ 213,334	\$ 214,794	\$ 214,463	\$ 139,870	\$ 149,753
Fleet Vehicles and Services*	292,540	131,280	113,960	89,549	102,218
Motorhome Chassis *	31,179	25,823	21,772	18,749	19,114
Aftermarket Parts and Accessories	694	892	1,075	1,288	1,012
Total Specialty Chassis & Vehicles	31,873	26,715	22,847	20,037	20,126
Total Backlog	\$ 537,747	\$ 372,789	\$ 351,270	\$ 249,546	\$ 272,097

* Anticipated time to fill backlog orders at September 30, 2017; 12 months or less for emergency response vehicles; 3 months or less for motorhome chassis; 4 months or less for fleet vehicles and services, except for the USPS truck body order which will be fulfilled throughout 2018 and 2019; and 1 month or less for other products.

Reconciliation of Non-GAAP Financial Measures

This release contains Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted net income, adjusted earnings per share, forecasted Adjusted EBITDA, and forecasted adjusted earnings per share, which are all Non-GAAP financial measures. Our management uses Adjusted EBITDA to evaluate the performance of and allocate resources to our segments. These non-GAAP measures are calculated by excluding items that we believe to be infrequent or not indicative of our operating performance. For the periods covered by this release such items consist of expenses associated with restructuring actions taken to improve the efficiency and profitability of certain of our manufacturing operations, expenses related to a recent business acquisition, the impact of the step-up in inventory value associated with the recent business acquisition, and the impact of the business acquisition on the timing of chassis revenue recognition. We present these adjusted Non-GAAP measures because we consider them to be important supplemental measures of our performance and believe them 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 operating performance.

The adjusted Non-GAAP measures are not measurements of our financial performance under GAAP and should not be considered as an alternative to net income or earnings per share under GAAP. These adjusted Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. In addition, in evaluating the adjusted Non-GAAP measures, you should be aware that in the future we may incur expenses similar to the adjustments in this presentation, despite our assessment that such expenses are infrequent or not indicative of our operating performance. Our presentation of the adjusted Non-GAAP measures should not be construed as an inference that our future results will be unaffected by unusual or infrequent items. We compensate for these limitations by providing equal prominence of our GAAP results and using adjusted Non-GAAP measures only as a supplement.

The following tables reconcile net income to Adjusted EBITDA, net income to adjusted net income, earnings per share to adjusted earnings per share, forecasted net income to Adjusted EBITDA and forecasted earnings per share to adjusted earnings per share for the periods indicated.

Financial Summary (Non-GAAP)
Consolidated
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,			
	2017	% of sales	2016	% of sales
Spartan Motors, Inc.				
Net income	\$ 13,470	7.1%	\$ 2,744	1.8%
Add (subtract):				
Restructuring	232		304	
Intercompany chassis impact	108		-	
Asset impairment	-		406	
Recall expense	(368)		1,742	
Acquisition related expenses	354		-	
Deferred tax asset valuation allowance	(6,295)		(1,716)	
Tax effect of adjustments	(98)		(111)	
Adjusted net income	<u>\$ 7,403</u>	<u>3.9%</u>	<u>\$ 3,369</u>	<u>2.3%</u>
Net income	\$ 13,470	7.1%	\$ 2,744	1.8%
Add (subtract):				
Depreciation and amortization	2,645		2,178	
Taxes on income	(3,736)		(113)	
Interest expense	189		112	
EBITDA	<u>\$ 12,568</u>	<u>6.6%</u>	<u>\$ 4,921</u>	<u>3.3%</u>
Add (subtract):				
Restructuring	232		304	
Intercompany chassis impact	108		-	
Asset impairment	-		406	
Recall expense	(368)		1,742	
Acquisition related expenses	354		-	
Adjusted EBITDA	<u>\$ 12,894</u>	<u>6.8%</u>	<u>\$ 7,373</u>	<u>5.0%</u>
Diluted net earnings per share	\$ 0.38		\$ 0.08	
Add (subtract):				
Restructuring	0.01		0.01	
Intercompany chassis impact	-		-	
Asset impairment	-		0.01	
Recall expense	(0.01)		0.05	
Acquisition related expenses	0.01		-	
Deferred tax asset valuation allowance	(0.18)		(0.05)	
Tax effect of adjustments	-		-	
Adjusted Diluted net earnings per share	<u>\$ 0.21</u>		<u>\$ 0.10</u>	

Emergency Response Vehicles Segment
(In thousands, unaudited)

	Three Months Ended September 30,			
	2017	% of sales	2016	% of sales
Net income (loss) attributable to Emergency Response	\$ 2,186	3.3%	\$ (3,835)	-9.1%
Add (subtract):				
Depreciation and amortization	575		217	
Taxes on income	-		-	
Earnings before interest, taxes, depreciation and amortization	\$ 2,761	4.2%	\$ (3,618)	-8.6%
Earnings before interest, taxes, depreciation and amortization	\$ 2,761	4.2%	\$ (3,618)	-8.6%
Restructuring charges	-		304	
Intercompany chassis impact	108		-	
Recall expense	(368)		1,742	
Asset impairment	-		406	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 2,501	3.8%	\$ (1,166)	-2.8%

Fleet Vehicles and Services Segment
(In thousands, unaudited)

	Three Months Ended September 30,			
	2017	% of sales	2016	% of sales
Net income (loss) attributable to Fleet Vehicles and Services	\$ 7,671	9.8%	\$ 9,262	11.9%
Add (subtract):				
Depreciation and amortization	855		813	
Interest expense	27		43	
Earnings before interest, taxes, depreciation and amortization	\$ 8,553	10.9%	\$ 10,118	13.0%
Earnings before interest, taxes, depreciation and amortization	\$ 8,553	10.9%	\$ 10,118	13.0%
Restructuring charges	232		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 8,785	11.2%	\$ 10,118	13.0%

Specialty Chassis and Vehicles Segment
(In thousands, unaudited)

	Three Months Ended September 30,			
	2017	% of sales	2016	% of sales
Net income (loss) attributable to Specialty Chassis and Vehicles	\$ 4,781	9.8%	\$ 1,144	3.7%
Add (subtract):				
Depreciation and amortization	368		186	
Earnings before interest, taxes, depreciation and amortization	\$ 5,149	10.5%	\$ 1,330	4.3%
Earnings before interest, taxes, depreciation and amortization	\$ 5,149	10.5%	\$ 1,330	4.3%
Restructuring charges	-		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 5,149	10.5%	\$ 1,330	4.3%

FINANCIAL SUMMARY (Non-GAAP)

CONSOLIDATED

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

	Forecast					
	Year Ending December 31, 2017		Year Ending December 31, 2017		Year Ending December 31, 2017	
	Low		Mid		High	
Net income	\$	17,000	\$	17,200	\$	17,500
Add:						
Depreciation and amortization		10,200		10,200		10,200
Interest expense		600		600		600
Tax benefit		(2,800)		(2,500)		(2,300)
EBITDA	\$	25,000	\$	25,500	\$	26,000
Add (subtract):						
Restructuring		1,200		1,200		1,200
Acquisition related expenses		1,300		1,300		1,300
Recall expense		(300)		(300)		(300)
Chassis shipment delay		2,100		2,100		2,100
Adjusted EBITDA	\$	29,300	\$	29,800	\$	30,300
Earnings per share	\$	0.48	\$	0.49	\$	0.50
Add (subtract):						
Restructuring		0.03		0.03		0.03
Acquisition related expenses		0.04		0.04		0.04
Recall expense		(0.01)		(0.01)		(0.01)
Chassis shipment delay		0.07		0.07		0.07
Valuation allowance adjustment		(0.18)		(0.18)		(0.18)
Less tax effect of adjustments		(0.03)		(0.03)		(0.03)
Adjusted earnings per share	\$	0.40	\$	0.41	\$	0.42

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COMMAND
YOUR ROAD.

THIRD QUARTER 2017 EARNINGS CONFERENCE CALL

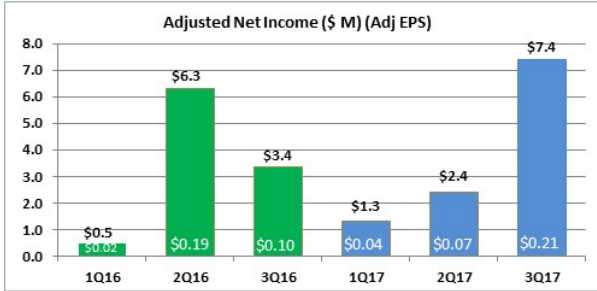
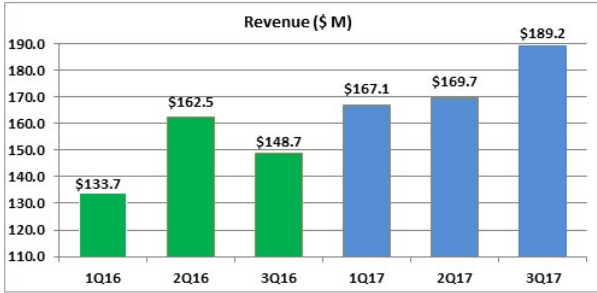
November 1, 2017

FORWARD-LOOKING STATEMENTS



This presentation contains some forward-looking statements that are not historical facts, including statements concerning our business, financial strength, future plans, objectives, and the performance of our products. These statements can be identified by words such as "believe", "expect", "forecast", "potential", "project", "future", "may", "will", and "should", and similar expressions or words. 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 may 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; 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 relationship with major customers or suppliers; 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. The risk factors disclosed in Part I – Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission and available at www.sec.gov or our website, include all known risks our management believes could materially affect the results described by forward-looking statements contained in this presentation. However, those risks may not be the only risks we face. Our business, operations, and financial performance could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. In addition, new risks may emerge from time to time that may cause actual results to differ materially from those contained in any forward-looking statements. 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. All dividends are considered and declared by our Board of Directors, in its discretion. 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.

THIRD QUARTER 2017– CORPORATE OVERVIEW



See GAAP reconciliation in Appendix

- Sales for 3Q17 rose 27.3% to \$189.2M from \$148.7M
 - Driven by \$23.8M increase in ER and \$18.2M increase in SCV
- Adjusted net income increased 119.7% to \$7.4 million, or \$0.21 per share, compared to \$3.4M, or \$0.10 per share
 - Strong performance from all three business segments
 - ER was profitable on a GAAP and adjusted basis
- Seventh profitable quarter in a row, on an adjusted basis
- Continued operational improvements from implementing the Spartan Production System, lean manufacturing and continuous improvement initiatives

BUSINESS UPDATE & HIGHLIGHTS



USPS Cargo Body Contract

- Awarded September 29, 2017
- \$214M two-year contract
 - Largest revenue contract in SPAR's history
 - 3rd year option for additional vehicles
- > 2,000 cargo body vehicles
 - COE (Cab Over Engine) vehicles
 - CBE (Cab Behind Engine) vehicles
 - Class 5 & 6 (18ft and 24ft) vehicles
- Opportunity to expand truck body manufacturing footprint
 - Production to begin in 2Q 2018



BUSINESS UPDATE & HIGHLIGHTS

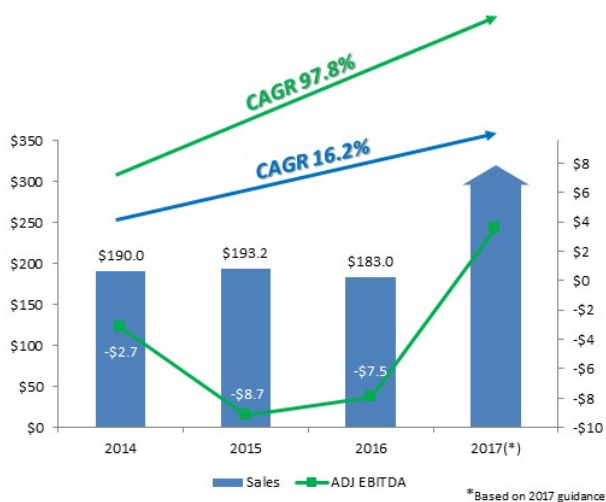


- AmeriPride Services – 20 EV vehicle order
 - FVS has manufactured nearly 800 EV vehicles over the past eight years
- Isuzu F-Series ramps up
 - Full production underway
- SCV continues to gain Class A Motorhome share
 - 22% market share growth since 2014
 - Motorhome backlog up 63% to \$31.2M from 3Q16
- S-180 gaining traction
 - Recently received orders for 9 units, including 6 units from the Houston area affected by recent hurricane
 - YTD sold 40 units
- Smeal acquisition running ahead of schedule
 - More synergies than originally anticipated
 - Expect integration to be complete by year-end





ER – Returns to Profitability

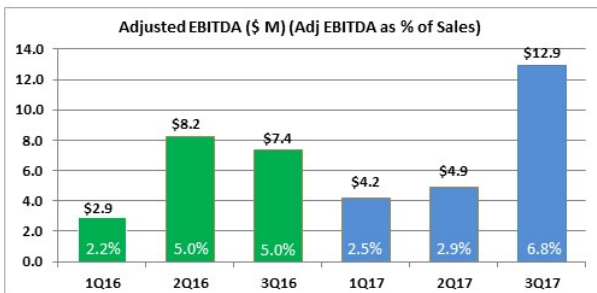
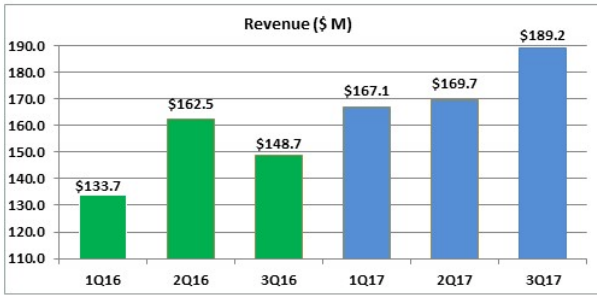


- 4Q17 to be profitable on both GAAP and adjusted basis
- Full year 2017 will be profitable on an adjusted basis
- Since 2016:
 - ~400 bps improvement in gross margin
 - Significant improvement in warranty expense
 - ~300 bps improvement in SG&A
 - ~\$10M improvement in adjusted EBITDA



FINANCIAL REVIEW 3RD QUARTER 2017

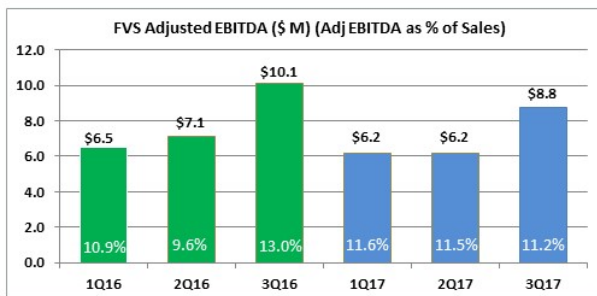
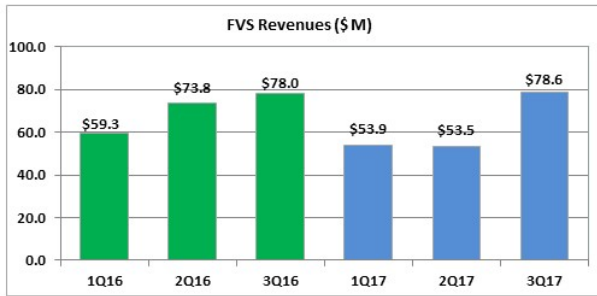
OVERVIEW – 3Q17 VS. 3Q16



See GAAP reconciliation in Appendix

- Revenue for the 3Q17 increased \$40.5M, or 27.3%, to \$189.2M from \$148.7M
 - ER up \$23.8M – Smeal contributed \$17.3 million
 - SCV up \$18.2M – strength of motorhome sales
 - FVS up \$0.6M – nonrecurring upfit order
- Adjusted EBITDA rose \$5.5M, or 74.9%, to \$12.9M from \$7.4M
 - Adjusted EBITDA margin improved 180 basis points to 6.8% of sales compared to 5.0% of sales
 - Strong performances from all three business segments
 - Excludes the impact of:
 - Restructuring and acquisition related expenses of \$0.6M versus \$0.3M last year
 - 3Q16 charge of \$1.7M for a legacy product recall
- Backlog up 97.6% to \$537.7M compared to \$272.1M a year ago
 - Includes \$214M USPS order

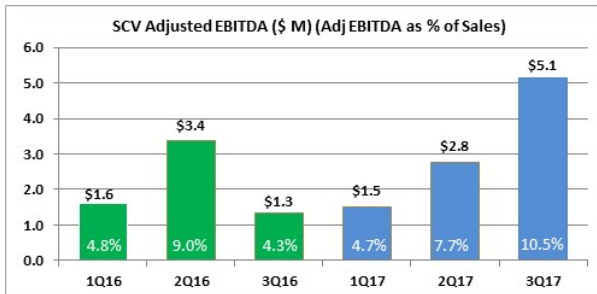
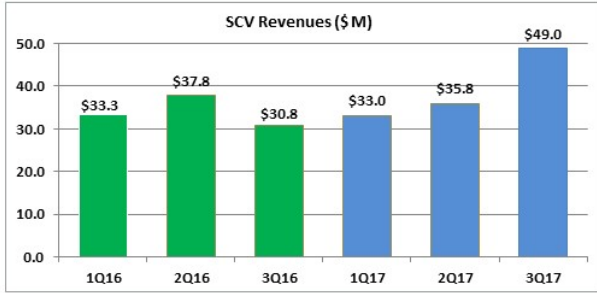
FLEET VEHICLES & SERVICES – 3Q17



See GAAP reconciliation in Appendix

- Revenue up \$0.6M to \$78.6M from \$78.0M
 - Up against nonrecurring upfit order
- Adjusted EBITDA decreased \$1.3M to \$8.8M from \$10.1M primarily due product mix
- Adjusted EBITDA margin decreased 180 basis points to 11.2% of sales from 13.0%
 - Nonrecurring upfit order
 - Partially offset by cost reductions and improved labor and manufacturing productivity
- Backlog up 186.2% to \$292.5M compared to \$102.2M a year ago
 - Includes \$214M USPS order

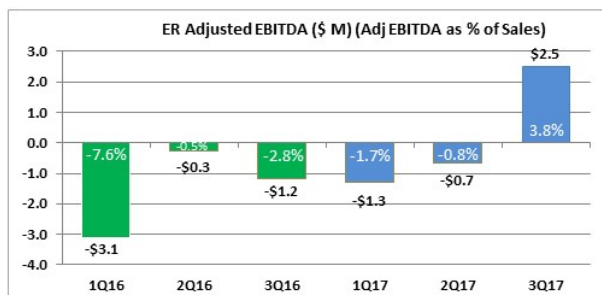
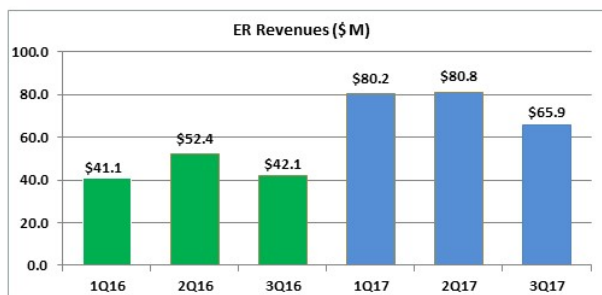
SPECIALTY CHASSIS & VEHICLES – 3Q17



See GAAP reconciliation in Appendix

- Revenue up \$18.2M, or 59.0%, to \$49.0M from \$30.8M
 - Motorhome sales up \$14.7M, or 65.7% to \$37.0M from \$22.3M
 - Remaining increase due to Reach and F-Series ramp-up
- SCV adjusted EBITDA increased \$3.8M to \$5.1M from \$1.3M
 - Reflects increased sales volume and improved operational performance
- Adjusted EBITDA margin improved 620 basis points to 10.5% of sales from 4.3% of sales
 - Reflects increased sales volume and improved operational performance
- Backlog up 58.4% to \$31.9M compared to \$20.1M a year ago

EMERGENCY RESPONSE – 3Q17



See GAAP reconciliation in Appendix

- Revenue up 56.4% to \$65.9M from \$42.1M
 - Smeal contributed \$17.3M of the increase
 - Higher shipments of complete fire apparatus and custom cab and chassis
- Adjusted EBITDA improved \$3.7M to \$2.5M compared to a loss of \$1.2M
- Adjusted EBITDA margin improved 660 basis points to 3.8% of sales
 - Reflects improved pricing, product quality, warranty costs, material efficiencies, improved vehicle mix and increased labor and manufacturing productivity
 - Offset by increased health care costs
 - 3Q16 included \$1.7M legacy product recall
- Backlog up 42.4% to \$213.3M compared to \$149.8M a year ago
 - Includes \$83.4M Smeal backlog

BALANCE SHEET – 3Q17



Spartan Motors
Summary Balance Sheet

	Sep 30 2017 (unaudited)	Dec 31, 2016 (audited)
Assets		
Cash	\$ 21,855	\$ 32,041
Accts Receivable	93,682	65,441
Inventory	95,070	58,896
PP&E	55,984	53,116
Other Assets	54,275	33,800
Total Assets	\$ 320,866	\$ 243,294
Liabilities & Shareholders' Equity		
Accts Payable	\$ 55,000	\$ 31,336
Long-term Debt	22,840	74
Other Liabilities	76,392	58,932
Total Liabilities	\$ 154,232	\$ 90,342
Shareholders' Equity	166,634	152,952
Total Liabilities & Equity	\$ 320,866	\$ 243,294
Total Liquidity		
Cash	\$ 21,855	\$ 32,041
Net Borrowing Capacity	45,504	71,057
Total Liquidity	\$ 67,359	\$ 103,098

- Significant progress in converting working capital to cash
- Total liquidity of \$67.4M at September 30, 2017 reflects:
 - \$21.9M cash on hand
 - \$45.5M of borrowing capacity
- Earnings growth driving increased liquidity
- \$11M improvement in total liquidity since June 30, 2017 quarter
- Increases capacity to pursue opportunistic acquisitions

FINANCIAL OUTLOOK – 2017



2017 Guidance						
<i>(\$M except per share)</i>	Current Guidance			Previous Guidance		
	Low	Mid-point	High	Low	Mid-point	High
Revenue	\$690.0	\$700.0	\$710.0	\$680.0	\$700.0	\$720.0
Adjusted EBITDA	\$29.3	\$29.8	\$30.3	\$28.3	\$29.8	\$31.3
Adjusted EPS	\$0.40	\$0.41	\$0.42	\$0.48	\$0.50	\$0.52
Shares outstanding		35,000			35,000	

CLOSING REMARKS



- 3Q17 operating results marked our 7th profitable quarter in a row, on an adjusted basis
 - Strong performance from all three business segments
 - Momentum continues to build as process improvements optimize performance
 - ER will be profitable on an adjusted basis in 2017
- Focused on sales growth and operational improvements
 - Become the #1 or #2 player in each market we serve
 - Achieve \$1 billion in sales and ~10% adjusted EBITDA margins by 2020
- Invest in profitable growth to drive product and market share expansion, including opportunistic acquisitions
- Spartan team determined on delivering exceptional growth in sales and profitability and increasing shareholder value



APPENDIX

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES



This presentation contains Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted net income, adjusted earnings per share, forecasted Adjusted EBITDA, and forecasted adjusted earnings per share, which are all Non-GAAP financial measures. Our management uses Adjusted EBITDA to evaluate the performance of and allocate resources to our segments. These non-GAAP measures are calculated by excluding items that we believe to be infrequent or not indicative of our operating performance. For the periods covered by this release such items consist of expenses associated with restructuring actions taken to improve the efficiency and profitability of certain of our manufacturing operations, expenses related to a recent business acquisition, the impact of the step-up in inventory value associated with the recent business acquisition, and the impact of the business acquisition on the timing of chassis revenue recognition. We present these adjusted Non-GAAP measures because we consider them to be important supplemental measures of our performance and believe them 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 operating performance.

The adjusted Non-GAAP measures are not measurements of our financial performance under GAAP and should not be considered as an alternative to net income or earnings per share under GAAP. These adjusted Non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. In addition, in evaluating the adjusted Non-GAAP measures, you should be aware that in the future we may incur expenses similar to the adjustments in this presentation, despite our assessment that such expenses are infrequent or not indicative of our operating performance. Our presentation of the adjusted Non-GAAP measures should not be construed as an inference that our future results will be unaffected by unusual or infrequent items. We compensate for these limitations by providing equal prominence of our GAAP results and using adjusted Non-GAAP measures only as a supplement.

The following tables reconcile net income to Adjusted EBITDA, net income to adjusted net income, earnings per share to adjusted earnings per share, forecasted net income to Adjusted EBITDA and forecasted earnings per share to adjusted earnings per share for the periods indicated.

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Financial Summary (Non-GAAP)
Consolidated
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,			
	2017	% of sales	2016	% of sales
Spartan Motors, Inc.				
Net income	\$ 13,470	7.1%	\$ 2,744	1.8%
Add (subtract):				
Restructuring	232		304	
Intercompany chassis impact	108		-	
Asset impairment	-		406	
Recall expense	(368)		1,742	
Acquisition related expenses	354		-	
Deferred tax asset valuation allowance	(6,295)		(1,716)	
Tax effect of adjustments	(98)		(111)	
Adjusted net income	\$ 7,403	3.9%	\$ 3,369	2.3%
Net income	\$ 13,470	7.1%	\$ 2,744	1.8%
Add (subtract):				
Depreciation and amortization	2,645		2,178	
Taxes on income	(3,736)		(113)	
Interest expense	189		112	
EBITDA	\$ 12,568	6.6%	\$ 4,921	3.3%
Add (subtract):				
Restructuring	232		304	
Intercompany chassis impact	108		-	
Asset impairment	-		406	
Recall expense	(368)		1,742	
Acquisition related expenses	354		-	
Adjusted EBITDA	\$ 12,894	6.8%	\$ 7,373	5.0%
Diluted net earnings per share	\$ 0.38		\$ 0.08	
Add (subtract):				
Restructuring	0.01		0.01	
Intercompany chassis impact	-		-	
Asset impairment	-		0.01	
Recall expense	(0.01)		0.05	
Acquisition related expenses	0.01		-	
Deferred tax asset valuation allowance	(0.18)		(0.05)	
Tax effect of adjustments	-		-	
Adjusted Diluted net earnings per share	\$ 0.21		\$ 0.10	

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Financial Summary (Non-GAAP)
Consolidated
(In thousands, except per share data)
(Unaudited)

Spartan Motors, Inc	Three Months Ended June 30,			
	2017	% of sales	2016	% of sales
Net income	\$ 1,124	0.7%	\$ 4,374	2.7%
Add (subtract):				
Restructuring	325		227	
Intercompany chassis impact	853		-	
Recall expense	-		1,715	
Acquisition related expenses	60		-	
Adjusted net income	<u>\$ 2,362</u>	1.4%	<u>\$ 6,316</u>	3.9%
Net income	\$ 1,124	0.7%	\$ 4,374	2.7%
Add (subtract):				
Depreciation and amortization	2,365		1,778	
Taxes on income	92		9	
Interest expense	129		88	
EBITDA	<u>\$ 3,710</u>	2.2%	<u>\$ 6,249</u>	3.8%
Add (subtract):				
Restructuring	325		227	
Intercompany chassis impact	853		-	
Recall expense	-		1,715	
Acquisition related expenses	60		-	
Adjusted EBITDA	<u>\$ 4,948</u>	2.9%	<u>\$ 8,191</u>	5.0%
Diluted net earnings (loss) per share	\$ 0.03		\$ 0.13	
Add (subtract):				
Restructuring	0.01		0.01	
Intercompany chassis impact	0.03		-	
Purchase accounting impact	-		0.05	
Adjusted Diluted net earnings (loss) per share	<u>\$ 0.07</u>		<u>\$ 0.19</u>	

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Financial Summary (Non-GAAP)

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

	Three Months Ended March 31,			
	2017	% of sales	2016	% of sales
Spartan Motors, Inc				
Net income (loss)	\$ (1,099)	-0.7%	\$ 543	0.4%
Add (subtract):				
Restructuring	642		339	
Intercompany chassis impact	1,112		-	
Purchase accounting impact	189		-	
Acquisition related expenses	672		-	
Deferred tax asset valuation allowance	466		(235)	
Tax effect of adjustments	(719)		(125)	
Adjusted net income	\$ 1,263	0.8%	\$ 522	0.4%
Net income (loss)	\$ (1,099)	-0.7%	\$ 543	0.4%
Add (subtract):				
Depreciation and amortization	2,325		1,786	
Taxes on income	83		93	
Interest expense	264		114	
EBITDA	\$ 1,573	0.9%	\$ 2,536	1.9%
Add (subtract):				
Restructuring	642		339	
Intercompany chassis impact	1,112		-	
Purchase accounting impact	189		-	
Acquisition related expenses	672		-	
Adjusted EBITDA	\$ 4,188	2.5%	\$ 2,875	2.2%
Diluted net earnings (loss) per share	\$ (0.03)		\$ 0.02	
Add (subtract):				
Restructuring	0.02		0.01	
Intercompany chassis impact	0.03		-	
Purchase accounting impact	0.01		-	
Acquisition related expenses	0.02		-	
Deferred tax asset valuation allowance	0.01		(0.01)	
Tax effect of adjustments	(0.02)		(0.00)	
Adjusted Diluted net earnings (loss) per share	\$ 0.04		\$ 0.02	

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Emergency Response Vehicles Segment (In thousands, unaudited)

	Three Months Ended September 30,		September 30,	
	2017	% of sales	2016	% of sales
Net income (loss) attributable to Emergency Response	\$ 2,186	3.3%	\$ (3,835)	-9.1%
Add (subtract):				
Depreciation and amortization	575		217	
Taxes on income	-		-	
Earnings (loss) before interest, taxes, depreciation and amortization	\$ 2,761	4.2%	\$ (3,618)	-8.6%
Earnings (loss) before interest, taxes, depreciation and amortization	\$ 2,761	4.2%	\$ (3,618)	-8.6%
Restructuring charges	-		304	
Intercompany chassis impact	108		-	
Recall expense	(368)		1,742	
Asset impairment	-		406	
Adjusted earnings (loss) before interest, taxes, depreciation and amortization	\$ 2,501	3.8%	\$ (1,166)	-2.8%

Fleet Vehicles and Services Segment (In thousands, unaudited)

	Three Months Ended September 30,		September 30,	
	2017	% of sales	2016	% of sales
Net income attributable to Fleet Vehicles and Services	\$ 7,671	9.8%	\$ 9,262	11.9%
Add (subtract):				
Depreciation and amortization	855		813	
Interest expense	27		42	
Earnings before interest, taxes, depreciation and amortization	\$ 8,553	10.9%	\$ 10,118	13.0%
Earnings before interest, taxes, depreciation and amortization	\$ 8,553	10.9%	\$ 10,118	13.0%
Restructuring charges	232		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 8,785	11.2%	\$ 10,118	13.0%

Specialty Chassis and Vehicles Segment (In thousands, unaudited)

	Three Months Ended September 30,		September 30,	
	2017	% of sales	2016	% of sales
Net income attributable to Specialty Chassis and Vehicles	\$ 4,781	9.8%	\$ 1,144	3.7%
Add (subtract):				
Depreciation and amortization	268		186	
Earnings before interest, taxes, depreciation and amortization	\$ 5,149	10.5%	\$ 1,330	4.3%
Earnings before interest, taxes, depreciation and amortization	\$ 5,149	10.5%	\$ 1,330	4.3%
Restructuring charges	-		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 5,149	10.5%	\$ 1,330	4.3%

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Emergency Response Vehicles Segment (in thousands, unaudited)

	Three Months Ended June 30			
	2017	% of sales	2016	% of sales
Net income (loss) attributable to Emergency Response	\$ (2,100)	-2.6%	\$ (2,475)	-4.7%
Add (subtract):				
Depreciation and amortization	584		210	
Taxes on income	-		70	
Earnings before interest, taxes, depreciation and amortization	\$ (1,516)	-1.9%	\$ (2,195)	-4.2%
Earnings before interest, taxes, depreciation and amortization	\$ (1,516)	-1.9%	\$ (2,195)	-4.2%
Restructuring charges	10		227	
Intercompany chassis impact	854		-	
Recall expense	-		1,715	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ (652)	-0.8%	\$ (253)	-0.5%

Fleet Vehicles and Services Segment (in thousands, unaudited)

	Three Months Ended June 30			
	2017	% of sales	2016	% of sales
Net income (loss) attributable to Fleet Vehicles and Services	\$ 4,968	9.3%	\$ 6,260	8.5%
Add (subtract):				
Depreciation and amortization	887		841	
Interest expense	12		21	
Earnings before interest, taxes, depreciation and amortization	\$ 5,867	11.0%	\$ 7,122	9.6%
Earnings before interest, taxes, depreciation and amortization	\$ 5,867	11.0%	\$ 7,122	9.6%
Restructuring charges	307		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 6,174	11.5%	\$ 7,122	9.6%

Specialty Chassis and Vehicles Segment (in thousands, unaudited)

	Three Months Ended June 30			
	2017	% of sales	2016	% of sales
Net income (loss) attributable to Specialty Chassis and Vehicles	\$ 2,502	7.0%	\$ 3,260	8.6%
Add (subtract):				
Depreciation and amortization	263		123	
Earnings before interest, taxes, depreciation and amortization	\$ 2,765	7.7%	\$ 3,383	9.0%
Earnings before interest, taxes, depreciation and amortization	\$ 2,765	7.7%	\$ 3,383	9.0%
Restructuring charges	-		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 2,765	7.7%	\$ 3,383	9.0%

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Emergency Response Vehicles Segment (In thousands, unaudited)

	Three Months Ended March 31,			
	2017	% of sales	2016	% of sales
Net income (loss) attributable to Emergency Response	\$ (3,589)	-4.5%	\$ (3,664)	-8.9%
Add (subtract):				
Depreciation and amortization	552		206	
Taxes on income	-		-	
Interest expense	-		-	
Earnings before interest, taxes, depreciation and amortization	\$ (3,037)	-3.8%	\$ (3,458)	-8.4%
Earnings before interest, taxes, depreciation and amortization	\$ (3,037)	-3.8%	\$ (3,458)	-8.4%
Restructuring	399		339	
Intercompany chassis impact	1,112		-	
Purchase accounting impact	189		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ (1,337)	-1.7%	\$ (3,119)	-7.6%

Fleet Vehicles and Services Segment (In thousands, unaudited)

	Three Months Ended March 31,			
	2017	% of sales	2016	% of sales
Net income (loss) attributable to Fleet Vehicles and Services	\$ 5,225	9.7%	\$ 5,544	9.4%
Add (subtract):				
Depreciation and amortization	876		873	
Taxes on income	-		-	
Interest expense	38		45	
Earnings before interest, taxes, depreciation and amortization	\$ 6,139	11.4%	\$ 6,462	10.9%
Earnings before interest, taxes, depreciation and amortization	\$ 6,139	11.4%	\$ 6,462	10.9%
Restructuring	105		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 6,244	11.6%	\$ 6,462	10.9%

Specialty Chassis and Vehicles Segment (In thousands, unaudited)

	Three Months Ended March 31,			
	2017	% of sales	2016	% of sales
Net income (loss) attributable to Specialty Chassis and Vehicles	\$ 1,127	3.4%	\$ 1,480	4.4%
Add (subtract):				
Depreciation and amortization	310		115	
Taxes on income	-		-	
Interest expense	-		-	
Earnings before interest, taxes, depreciation and amortization	\$ 1,437	4.4%	\$ 1,595	4.8%
Earnings before interest, taxes, depreciation and amortization	\$ 1,437	4.4%	\$ 1,595	4.8%
Restructuring	96		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 1,533	4.7%	\$ 1,595	4.8%

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



FINANCIAL SUMMARY (Non-GAAP)

CONSOLIDATED

(In thousands, except per share data)

(Unaudited)

	Year Ending December 31, 2017		
	Low	Mid	High
Net income	\$ 17,000	\$ 17,200	\$ 17,500
Add:			
Depreciation and amortization	10,200	10,200	10,200
Interest expense	600	600	600
Tax benefit	(2,800)	(2,500)	(2,300)
EBITDA	\$ 25,000	\$ 25,500	\$ 26,000
Add (subtract):			
Restructuring	1,200	1,200	1,200
Acquisition related expenses	1,300	1,300	1,300
Recall expense	(300)	(300)	(300)
Chassis shipment delay	2,100	2,100	2,100
Adjusted EBITDA	\$ 29,300	\$ 29,800	\$ 30,300
Earnings per share	\$ 0.48	\$ 0.49	\$ 0.50
Add (subtract):			
Restructuring	0.03	0.03	0.03
Acquisition related expenses	0.04	0.04	0.04
Recall expense	(0.01)	(0.01)	(0.01)
Chassis shipment delay	0.07	0.07	0.07
Valuation allowance adjustment	(0.18)	(0.18)	(0.18)
Less tax effect of adjustments	(0.03)	(0.03)	(0.03)
Adjusted earnings per share	\$ 0.40	\$ 0.41	\$ 0.42

FOR MORE INFORMATION:

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