

INVESTOR PRESENTATION

September 2019



COMMAND
YOUR ROAD

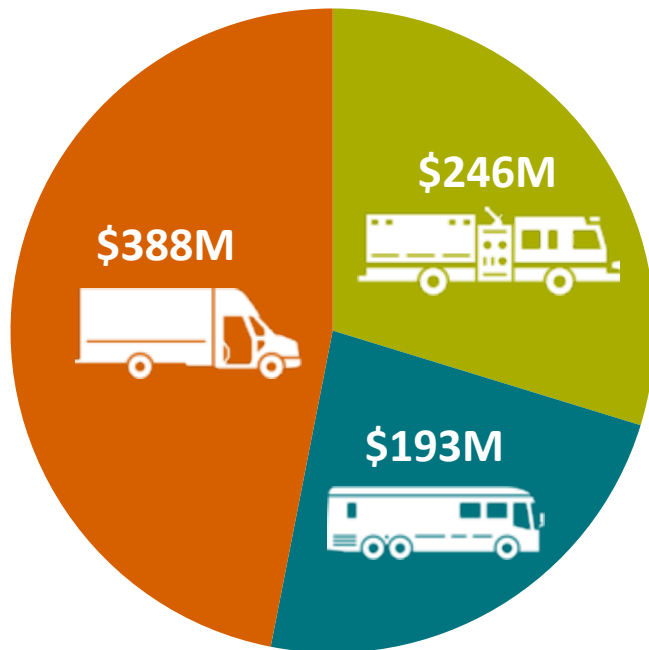
FORWARD LOOKING STATEMENTS

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

\$975M
2019 SALES*



\$15M
2018 NET INCOME

\$25M
2019 NET INCOME*

\$32M
2018 ADJ. EBITDA

\$45M
2019 ADJ. EBITDA*



15 MFG OPERATIONS
IN 9 STATES & 3
COUNTRIES

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



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



1983
Spartan launches The Gladiator Super Command chassis

1985
Spartan enters the Class A diesel RV chassis market



1994
Spartan supports the industry by launching the Fire Truck Training Conference, promoting education and category advancement for Emergency Vehicle Technicians



1999
Spartan re-crafts the fire truck cab designing a flat floor and shorter engine tunnel for improved safety

2005
Spartan provides integration, final assembly, inspection, and logistics support for military vehicles (MRAP & ILAV) built for the Iraq War



2010
Spartan creates the Reach - the next generation commercial walk in van



2013
Production begins at the state-of-the-art new facility in Bristol, IN



2011
Spartan Motors, Inc. acquires Classic Fire

2016
Spartan constructs a new flexible manufacturing facility in Charlotte, MI to meet the increasing need for contract manufacturing and assembly



2018
Spartan acquires Strobes-R-Us



STROBES-R-US
A SPARTAN MOTORS BRAND

2019
Spartan Motors Advances Commitment to U.S. Manufacturing with Launch of Detroit Truck Manufacturing



1975

1980

1990

2000

2005

2010

2015

2020

1978
Spartan constructs "Plant 1", a 19,200 sq. ft. manufacturing facility, the first of many buildings to come to 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



2006
Spartan Chassis constructs a new facility in Charlotte, MI to meet increasing demand for fire truck chassis.



2009
Spartan Motors, Inc. acquires Utilimaster, Inc.



2011
Spartan begins production for Isuzu's N-Series gasoline engine, low-cab-forward trucks providing assembly, final inspection, and quality control



2015
Daryl Adams is appointed President & CEO



2017
Spartan acquires Smeal Fire Apparatus and its Ladder Tower and UST brands



2019
Spartan acquires General Truck Body under its Utilimaster brand, effectively securing West Coast operations and distribution hub.



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



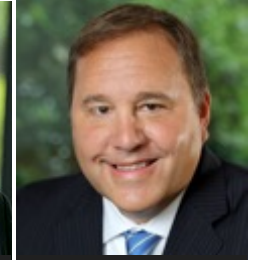
Rick Sohm
CFO



Chad Heminover
President, Fleet
Vehicles & Services



Todd Fierro
President, Emergency
Response

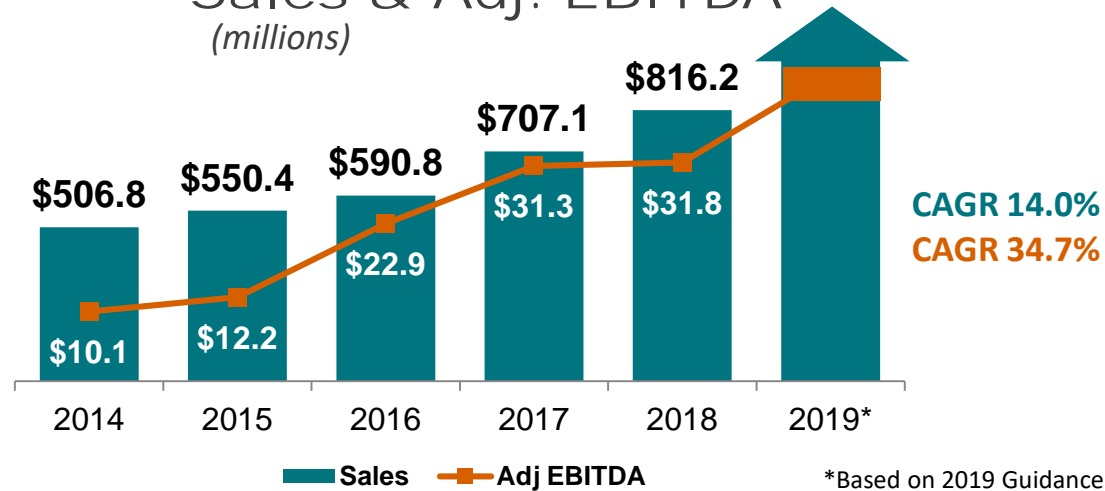


Steve Guillaume
President, Specialty
Chassis & Vehicles



SPARTAN MOTORS - BUSINESS SNAPSHOT

Sales & Adj. EBITDA
(millions)



TAM: \$5.6B



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

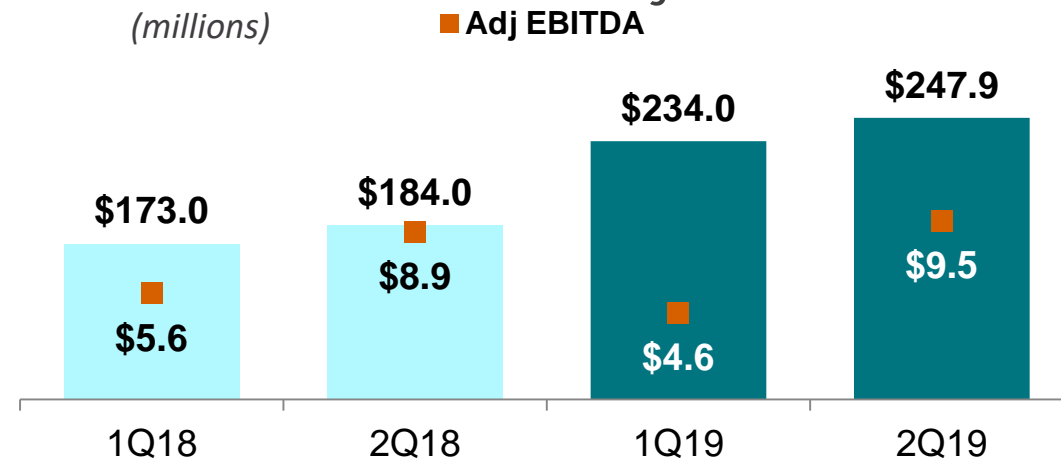


- 66% of all fire trucks are ten years or older

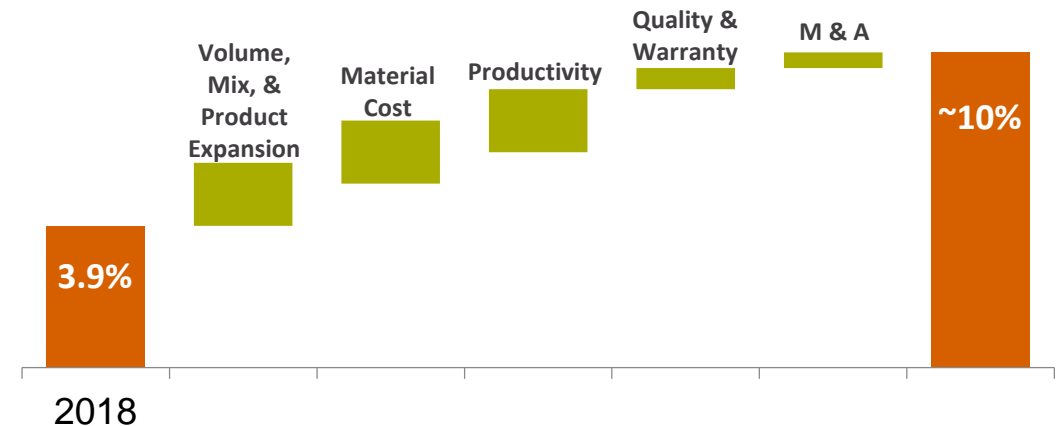


- 18% CAGR Class A Diesel >400 HP shipments ('12-'18)

2Q19 Sales and Adj. EBITDA
(millions)

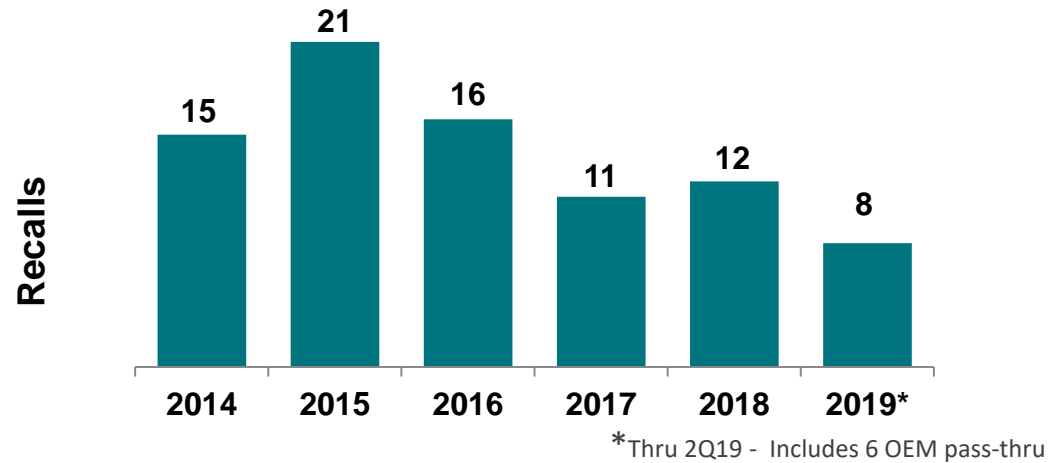


Financial Objective – Adj. EBITDA %

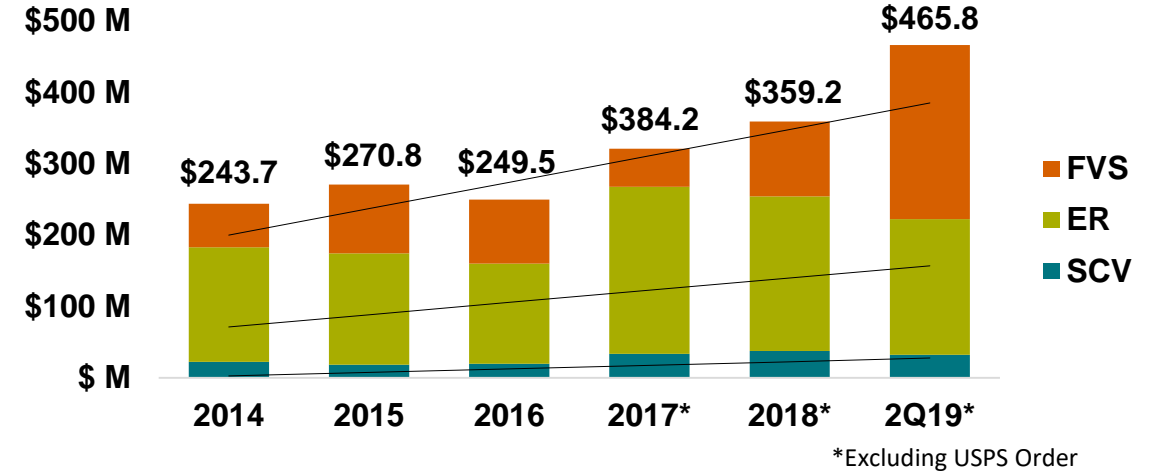


MANUFACTURING IMPROVEMENTS – GAINING TRACTION

Product Recalls



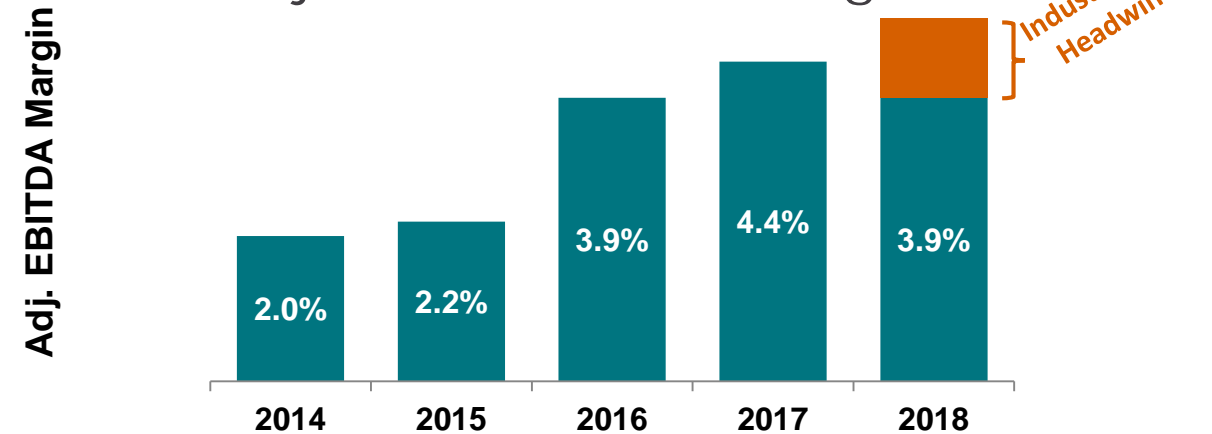
Backlog



Sales Productivity

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

Adjusted EBITDA Margin



MARKET CONDITIONS

Industry Headwinds

- Tariffs driven increases in materials and component costs
- Chassis shortages
- Increased component lead times
- Higher freight costs
- Tight labor market

2019 Guidance				
(\$M except per share)	Low	Mid-point	High	MP% Increase Over Prev Guid
Revenue	\$960.0	\$975.0	\$990.0	10%
Net income	\$24.1	\$25.3	\$26.4	20%
Adjusted EBITDA	\$43.3	\$44.7	\$46.2	14%
EPS	\$0.68	\$0.72	\$0.75	20%
Adjusted EPS	\$0.70	\$0.74	\$0.77	21%

Operating Focus

- Continued emphasis on operational improvements
- Optimization of manufacturing facilities
 - Additions
 - Ephrata, PA
 - Ladson, SC
 - Pompano Beach, FL (StrobesRUs)
 - Montebello, CA
 - Detroit, MI
 - Consolidations
 - Delevan, WI
- Design for manufacturing
 - Engineering-driven new manufacturing innovations
 - Lighter materials
 - Lower cost manufacturing
- Investment in Aftermarket Parts
 - Inventory management
 - New ERP implementation



FLEET VEHICLES & SERVICES



COMMAND
YOUR ROAD

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

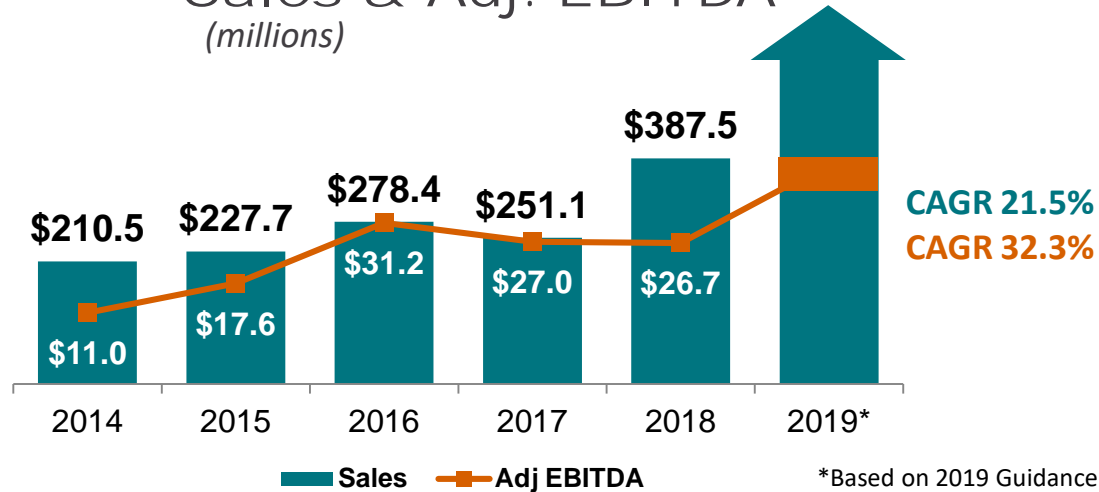


OEM Dealerships



FVS – BUSINESS SNAPSHOT

Sales & Adj. EBITDA
(millions)

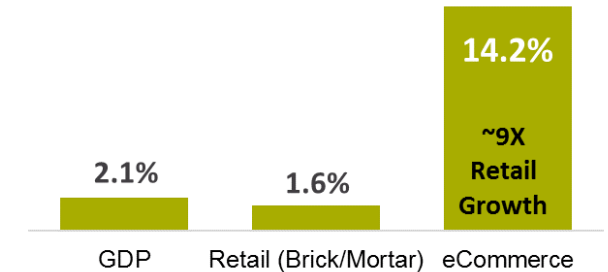


TAM: \$3.8B



Expected Growth (CAGR) 2018-2022

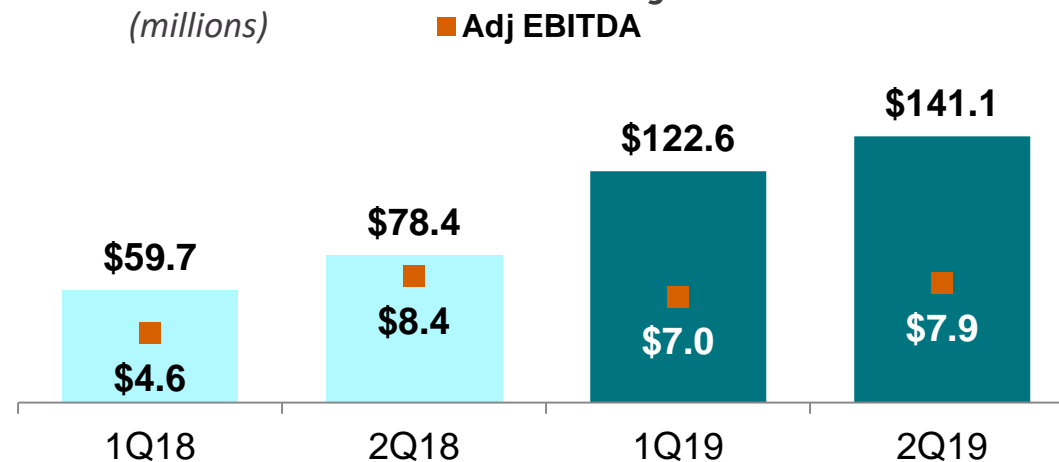
US eCommerce
expected to double
from \$517B in 2018
to over \$1T by 2027



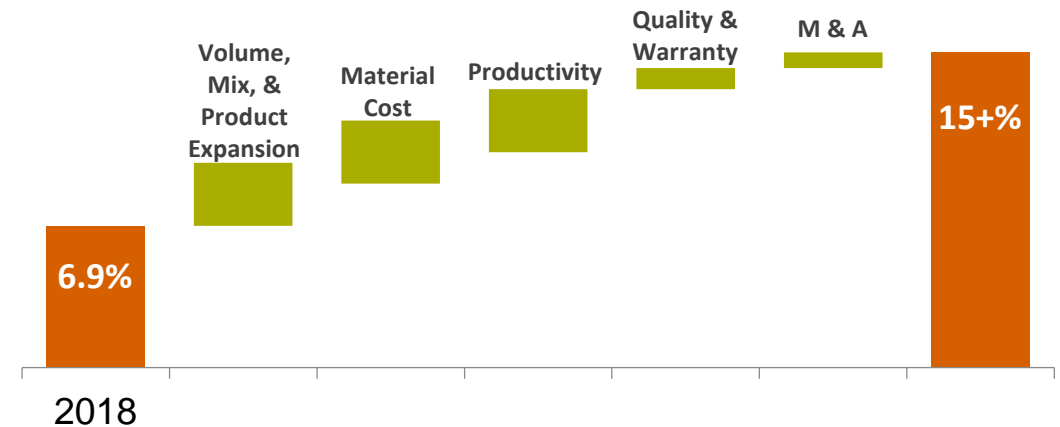
Note: Nominal GDP

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

2Q19 Sales and Adj. EBITDA
(millions)



Financial Objective – Adj. EBITDA %



FVS – MARKET SHARE

TAM: \$2.6 Billion



TAM: \$1.2 Billion

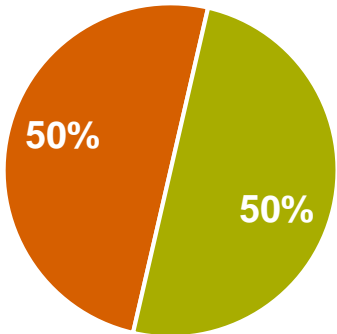


WALK- IN VANS

TRUCK BODIES

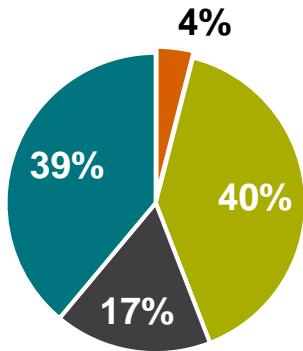
CARGO VAN UPFITS

Walk-in Van Market Share



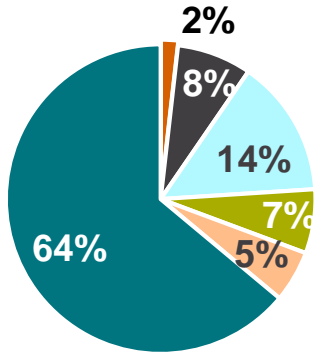
■ Spartan/Utilimaster ■ Morgan Olson

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

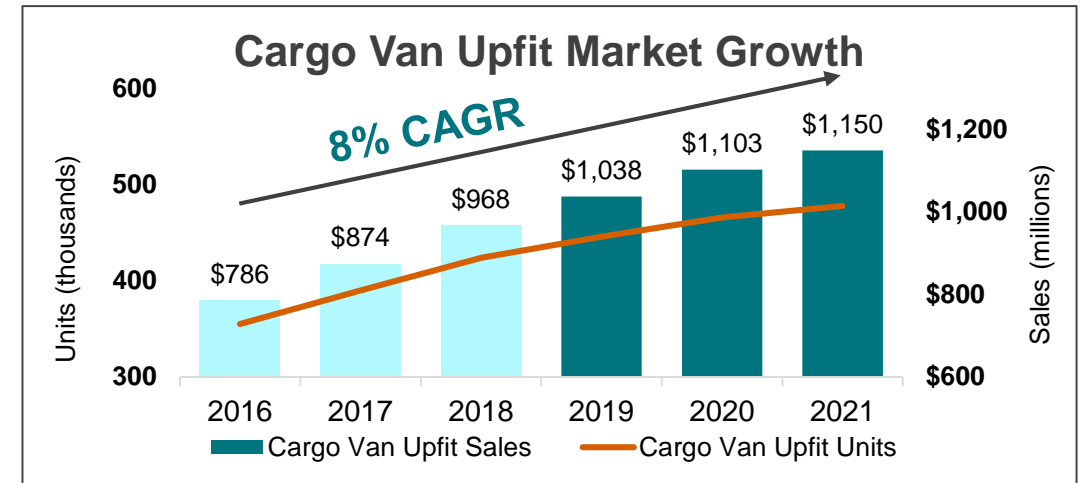
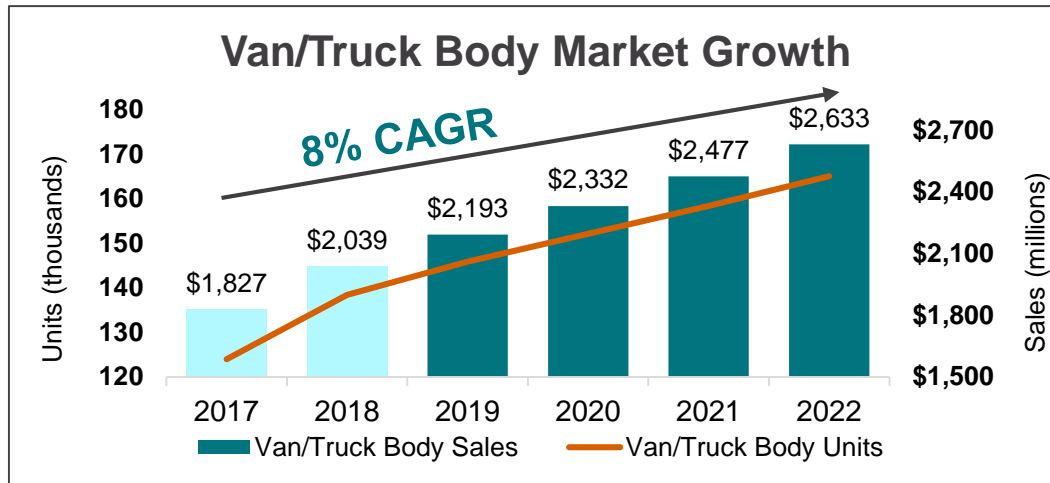
Spartan's Utilimaster is #3 in the Van/Truck Body Market

Source: 2017-2018 SpecialtyTransportation.net Reports



FVS – VAN/TRUCK BODY & CARGO VAN UPFIT OUTLOOK

2021 / 2022 Total Addressable Market \$3.8 Billion



- Well positioned for accelerating growth
 - Flexible regional facilities in Ephrata, PA; Ladson, NC; Pompano Beach, FL; and Montebello, CA
 - FVS 2018 Backlog up 109%* to \$112.3M from \$53.7M a year ago

- Well positioned for expanding Euro cargo van segment
 - Ship-Thru programs in Saltillo, MX (Dodge Promaster) Kansas City (Ford Transit) & Ladson, SC (Mercedes Sprinter)
 - Flexible regional upfit facilities – Pompano Beach, FL & Ephrata, PA

Product Segments – Growth Driven By:

- | | | | |
|-------------------|-----------------|--|---------|
| ▪ Walk-in/style | ▪ Dry Freight | ▪ Euro van/style | ▪ Upfit |
| ▪ Parcel Delivery | ▪ Refrigeration | ▪ Last mile delivery - Grocery/Refrigeration | |



* Excludes the USPS truck body order and impact of ASC 606

© 2019 SPARTAN MOTORS, INC.

Source: 2017-2018 SpecialtyTransportation.net Reports

FLEET GROWTH OPPORTUNITIES

\$3.8B Market Opportunity



Source



Distribution Hub



Doorstep



CLASS 1

GVWR
6,000 lbs.

CLASS 2

GVWR
10,000 lbs.

CLASS 3

GVWR
14,000 lbs.

CLASS 4

GVWR
16,000 lbs.

CLASS 5

GVWR
19,500 lbs.

CLASS 6

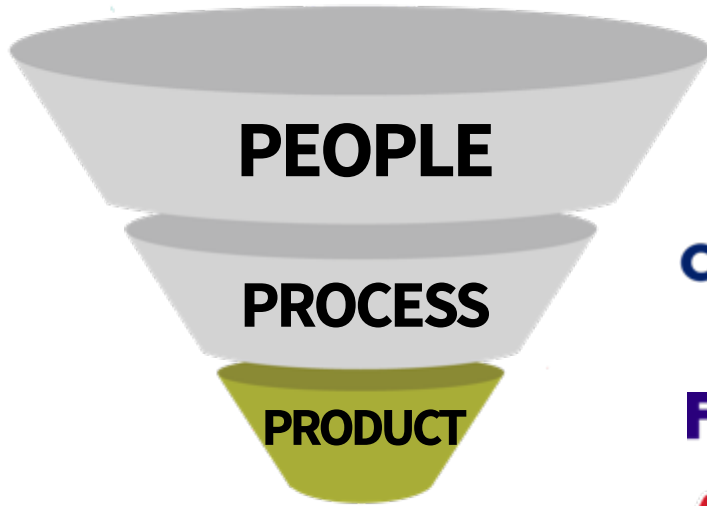
GVWR
26,000 lbs.
















CLASS 7

GVWR
33,000 lbs.



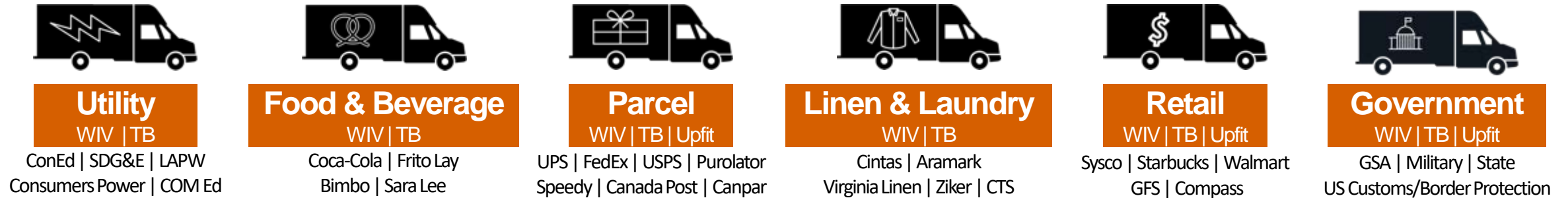
FVS – BUILDING LONG-TERM RELATIONSHIPS



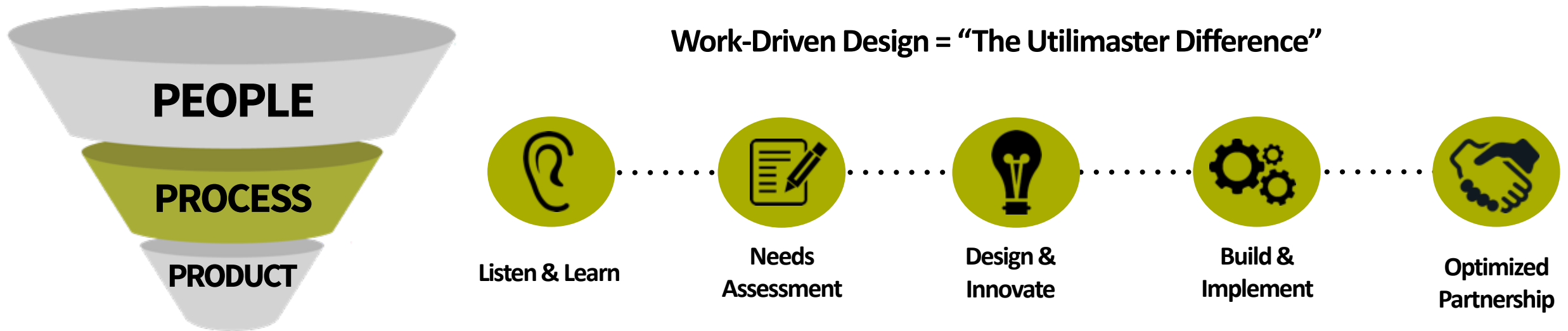
					
	Van Upfit	Walk-in Van	Truck Body	Parts	Field Service
	X	X	X	X	X
	X	X	X	X	X
	X	X	X	X	X
	X	X	X	X	X
	X	X	X	X	X
	X	X	X	X	X
	X	X	X		
		X	X		X
		X		X	X
	X	X			



FVS – COMPETITIVE ADVANTAGE



Work-Driven Design = “The Utilimaster Difference”



ACQUISITION UPDATE

General Truck Body

- Located in Montebello, CA (southern)
- Provides West Coast truck body operation that expands our footprint to better serve current and prospective customers in the region
- Manufacture and assemble custom aluminum and composite-side truck bodies, refrigerated trucks, stake body trucks, curtain side and moving vans
- Augments Spartan's recent East Coast expansion providing truck body customers coast-to-coast coverage



STRATEGY AT WORK – FVS

- Last Mile Delivery – momentum continues unabated
 - FVS Backlog up YOY 123% at 2Q19, excluding USPS order
 - Reflects broad industry demand for vehicles across the GVWR spectrum
- Investing in new products and technologies to drive future growth
 - Utilivan – highly customizable commercial truck body
 - Medium duty cutaway chassis allows for driver pass-through to cargo box
 - Available in single or dual rear wheels
 - Over-cab storage provides flexible option
 - New linen and laundry segment innovations designed to improve driver safety, ergonomics and efficiency





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

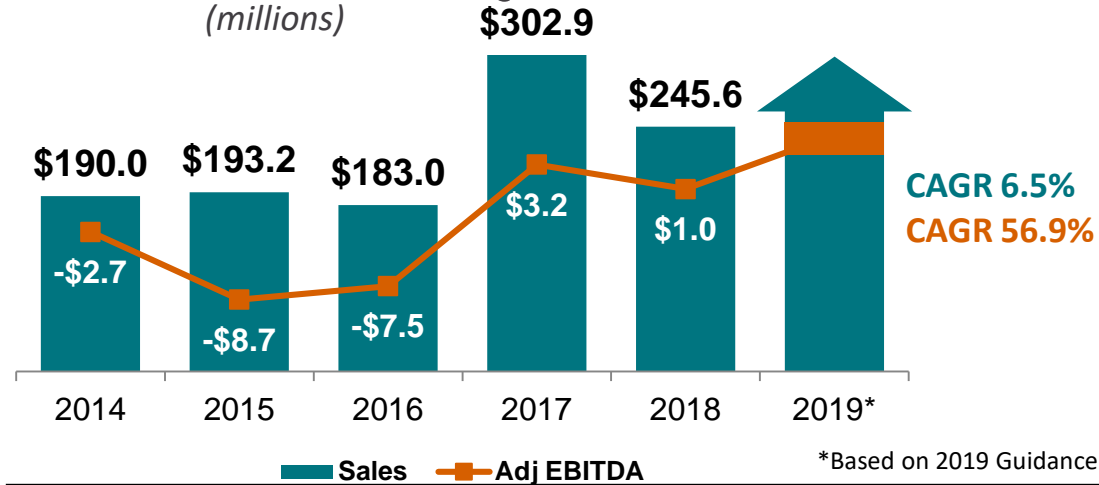


Complete Apparatus

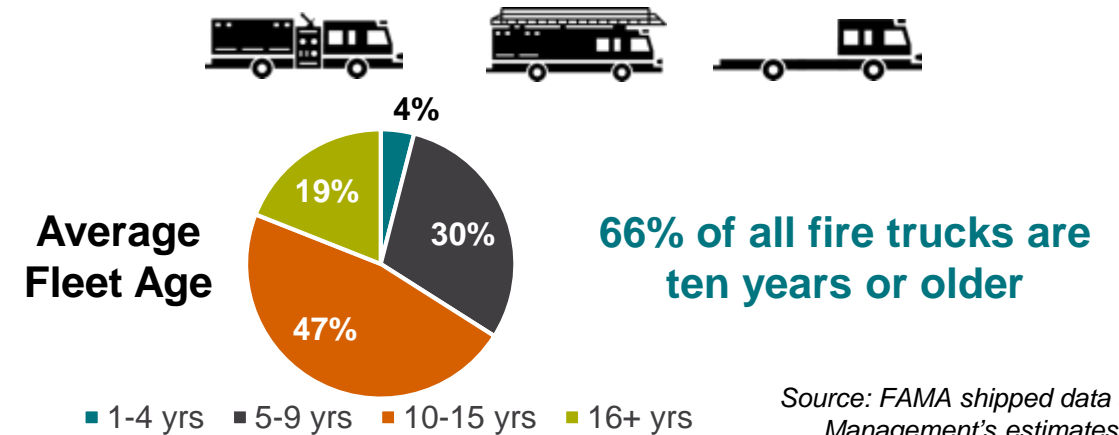


ER – BUSINESS SNAPSHOT

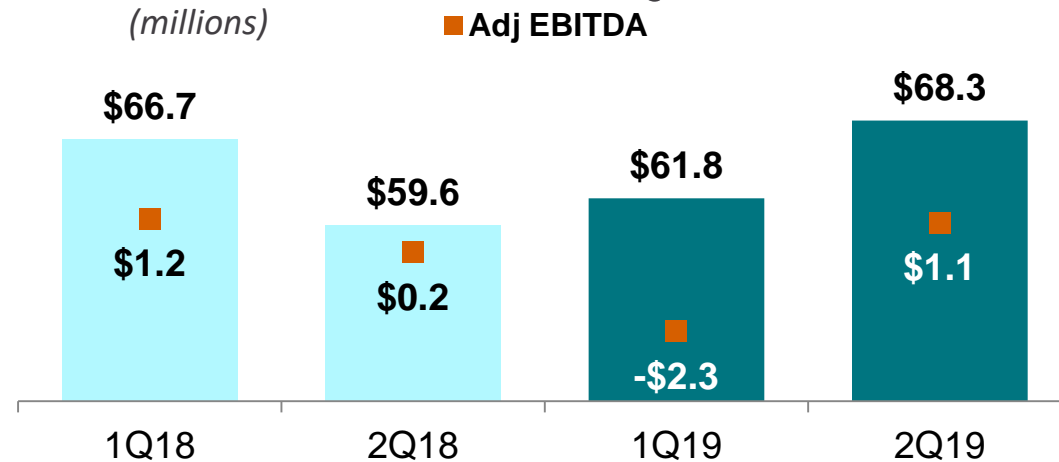
Sales & Adj. EBITDA
(millions)



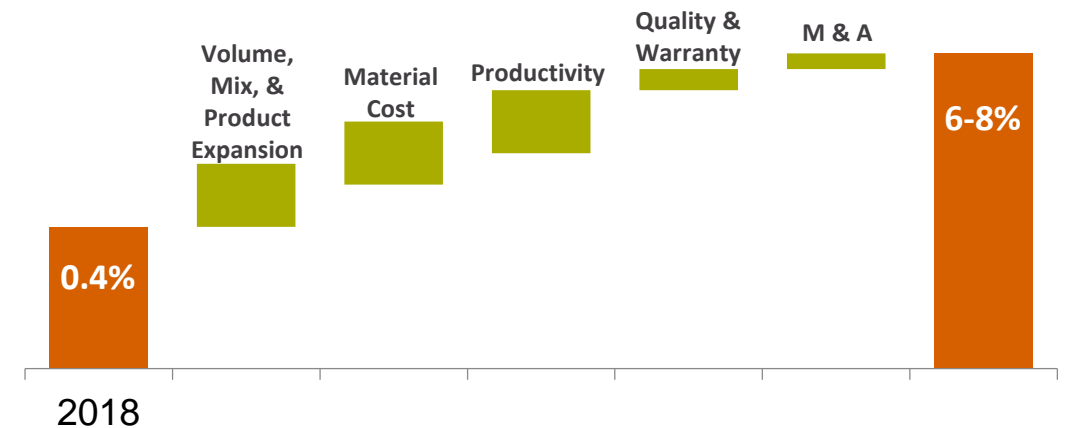
TAM: \$1.2B



2Q19 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)

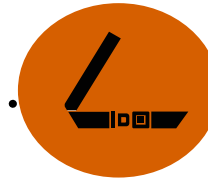
- Outperforms category leader
 - Product performance
 - Value equation



Spartan Advanced Protection System®



Industry leading airbag technology



Intelligent seat belts



Side impact protection



Outboard sensors



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
YOUR ROAD

SPECIALTY CHASSIS & VEHICLES (SCV)

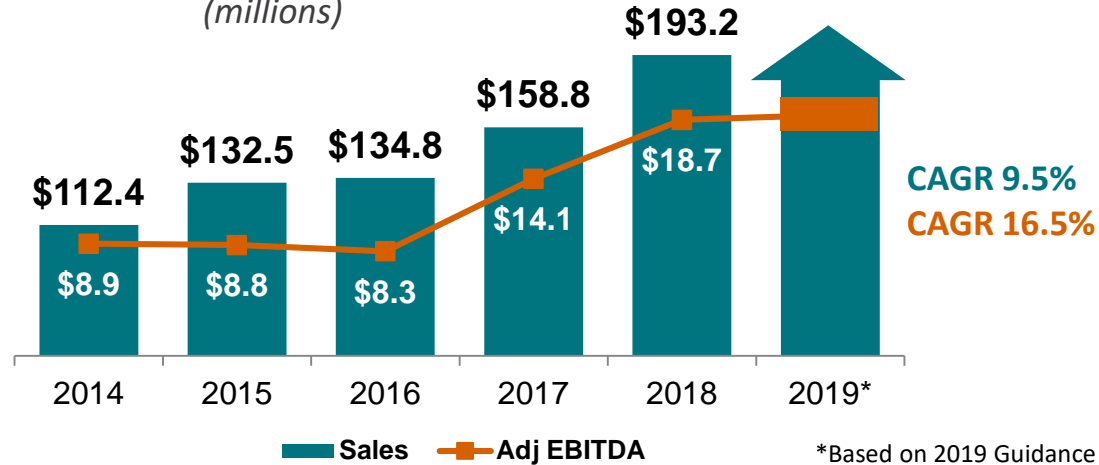
The “Premier Foundation” (custom chassis) for the Class A diesel Luxury Motor Coach (LMC) market, with a core competency in custom manufacturing and assembly for the light duty truck, specialty vehicle, and defense markets.

LMC Customers We Serve	LMC Chassis	Contract Manufacturing	EV / AV
		 <p>N-Gas ISUZU GVWR 14,000 lbs.</p> <p>F-Series GVWR 26,000 lbs.</p>	



SCV – BUSINESS SNAPSHOT

Sales & Adj. EBITDA
(millions)

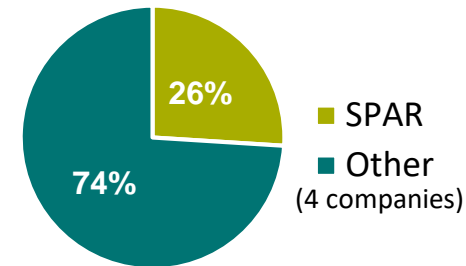


TAM: \$620M

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



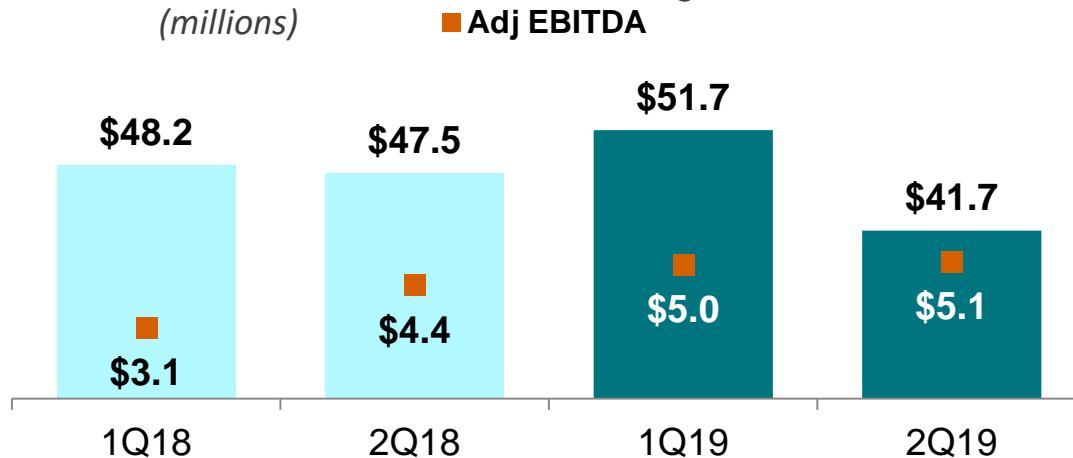
Class A Diesel >400hp



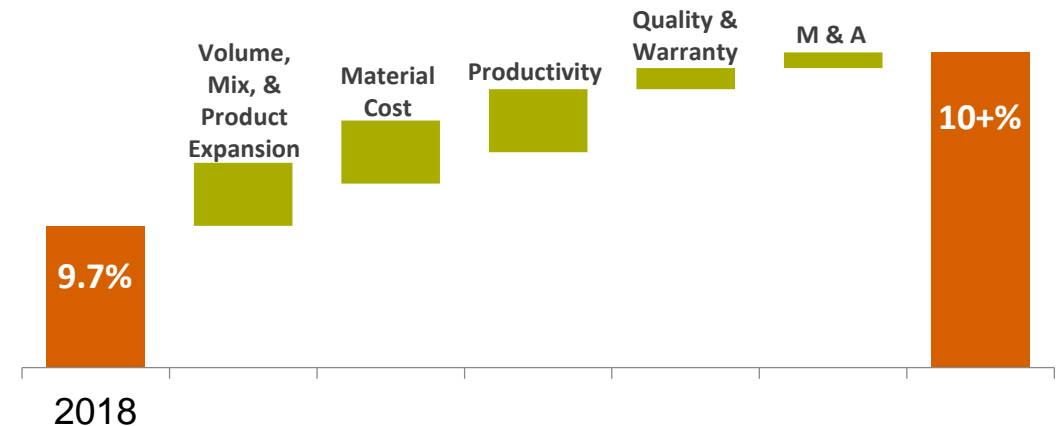
Spartan LMC market share has seen positive growth of 44% since 2014

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

2Q19 Sales and Adj. EBITDA
(millions)

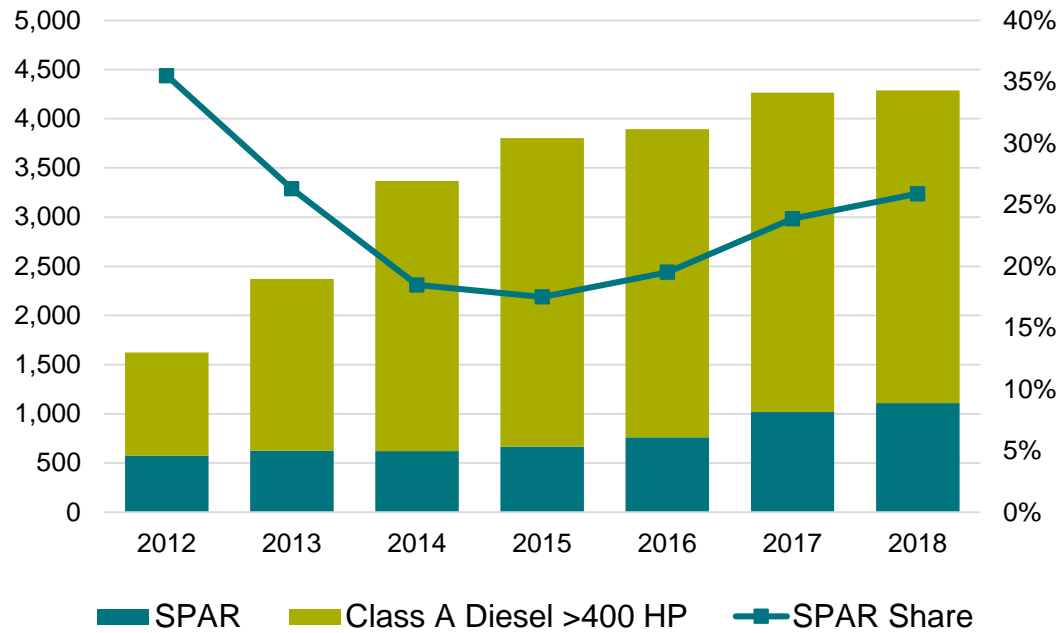


Financial Objective – Adj. EBITDA %



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

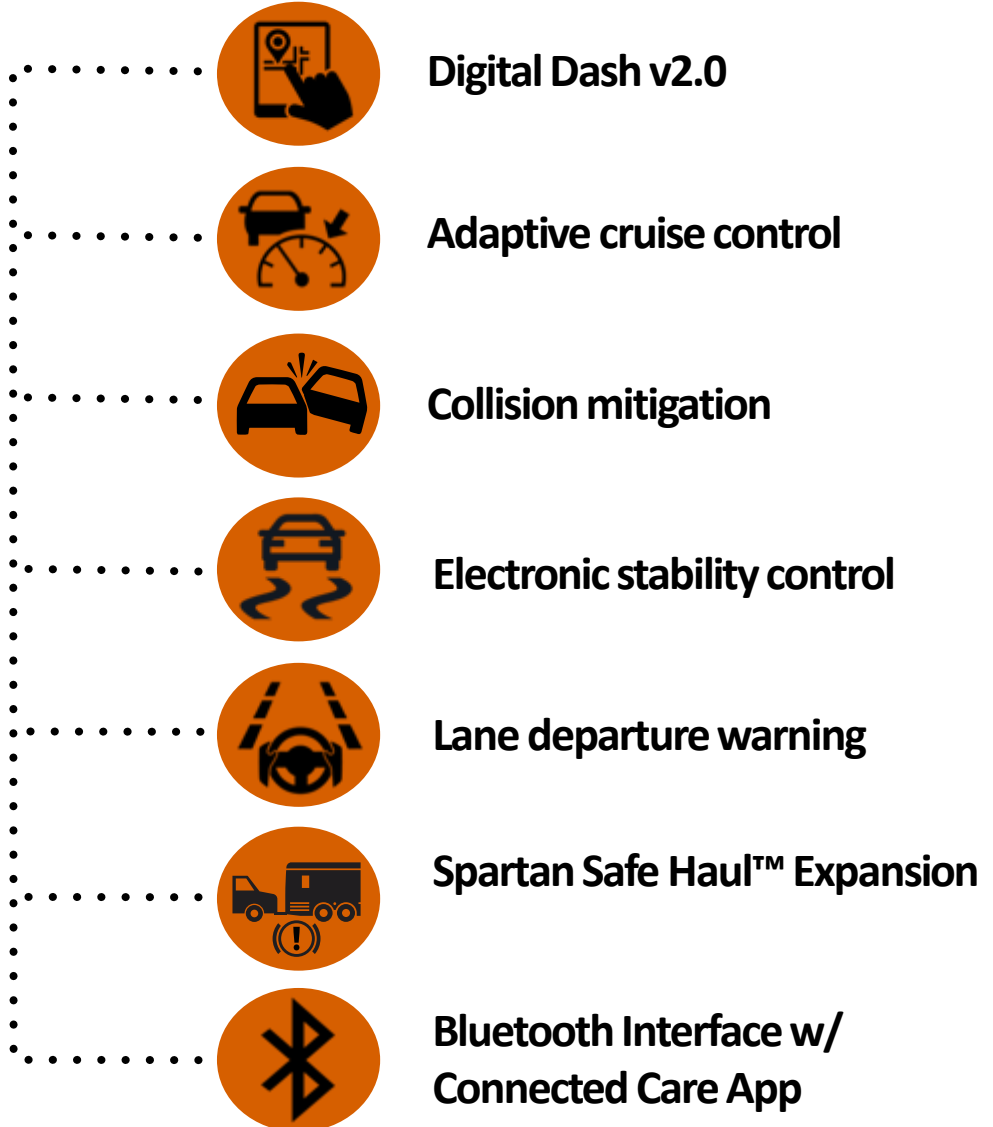
STRATEGY AT WORK - LUXURY MOTOR COACH

- 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
- Favorable industry trends should support continued momentum, including:
 - Population and demographic trends
 - “Active/outdoor lifestyle” continues to grow
 - RV manufacturers are broadening offerings

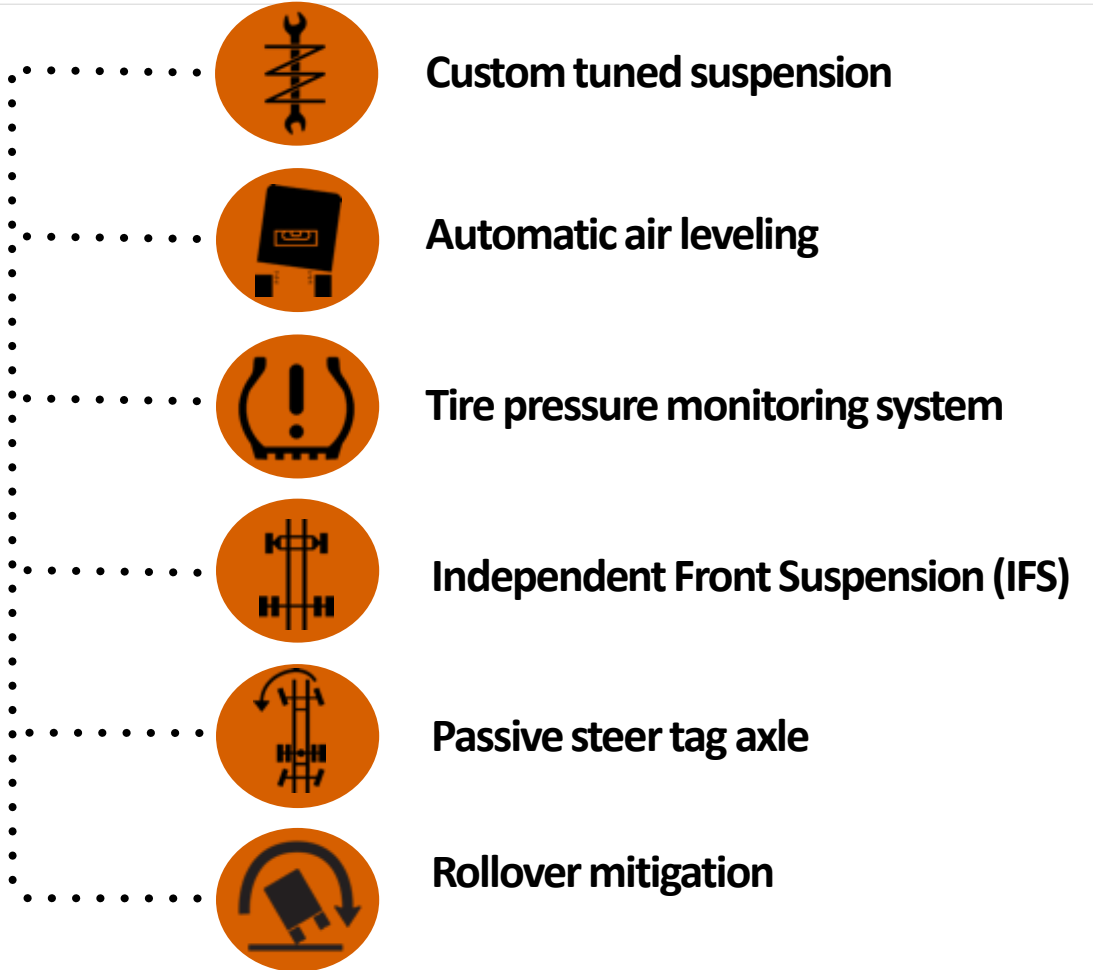
Source: Statistical Surveys MarketScope, 1/2008 – 12/2018, U.S. Data and Management's estimates



SCV – CATEGORY-LEADING INNOVATION



SCV – FIRST-TO-MARKET INNOVATION



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, including Reach vehicle
- Class A Diesel luxury motor coach chassis industry down 14% YOY at 2Q19
- SCV continues to gain share in Class A Diesel luxury motor coach chassis market
 - SCV's >400HP market share remains at 26% at 2Q19



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

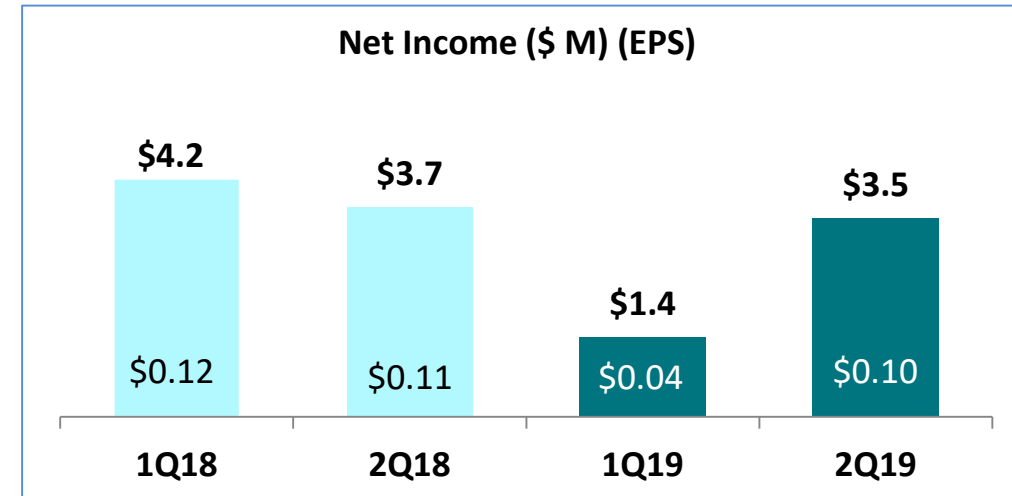
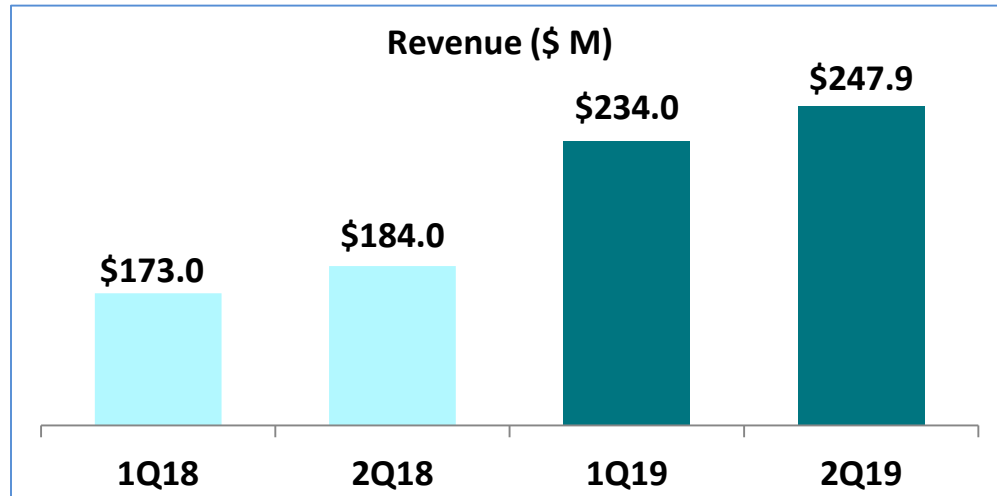


FINANCIAL REVIEW



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OVERVIEW – 2Q19 VS. 2Q18

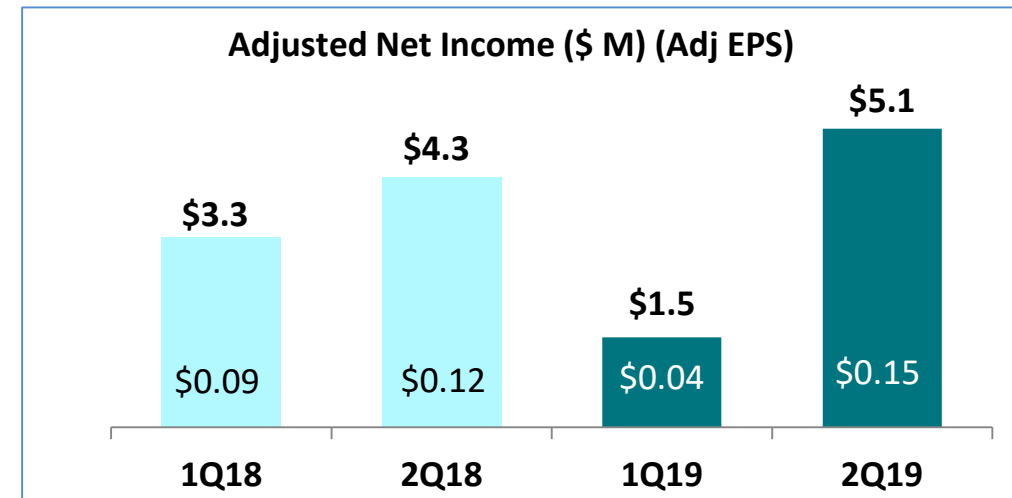
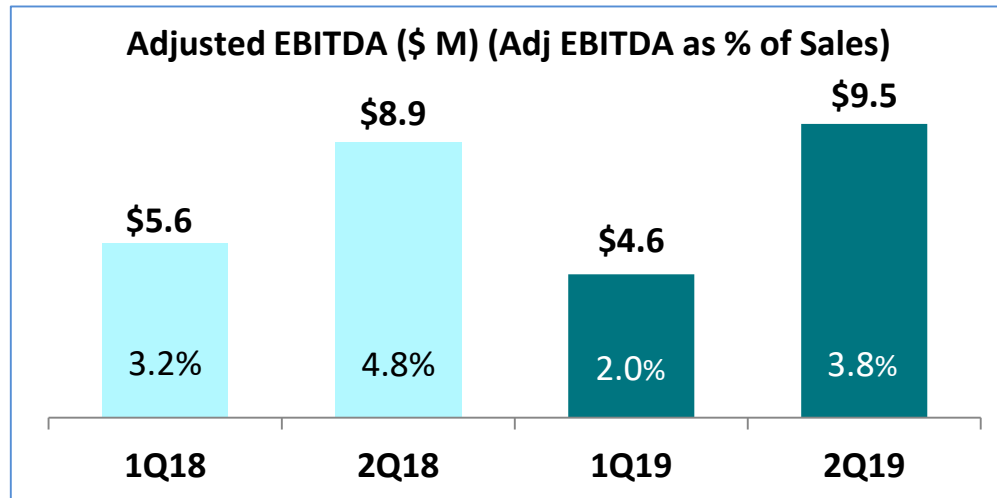


- Revenue for 2Q19 up \$64.0M, or 34.8%, to \$247.9M from \$184.0M
 - FVS up \$62.7M, or 79.9% – USPS order and higher walk-in-van and Reach® vehicle volumes
 - ER up \$8.6M, or 14.5% – increased volume and higher pricing
 - SCV down \$5.8M, or 12.1% – higher contract manufacturing volume offset by a decrease in luxury motor coach sales

- Net Income for 2Q19 down \$0.2M, or 5.4%, to \$3.5M
 - Reflects increased start-up costs for upfit orders in South Carolina, Kansas City and Mexico
 - Includes \$0.8M, or \$0.02 per share, of start-up costs relating to Detroit Truck Manufacturing compared to \$0.3M, or \$0.01 per share a year ago
- EPS decreased \$0.01, or 9.1%, to \$0.10 from \$0.11 last year
- Excluding USPS backlog, 2Q19 backlog up 45.7%, or \$146M to \$465.8M



OVERVIEW – 2Q19 VS. 2Q18



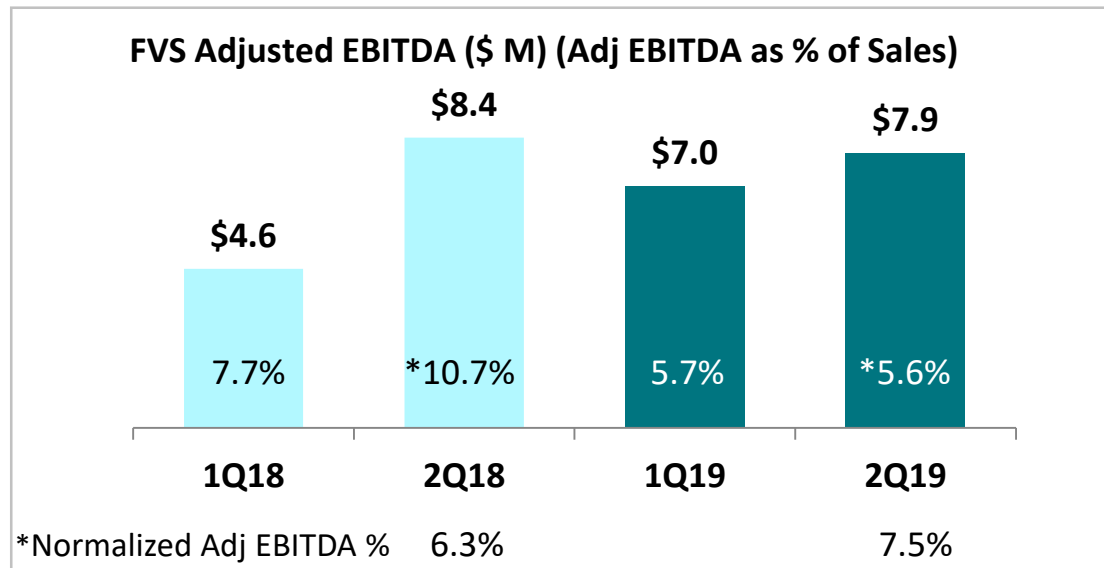
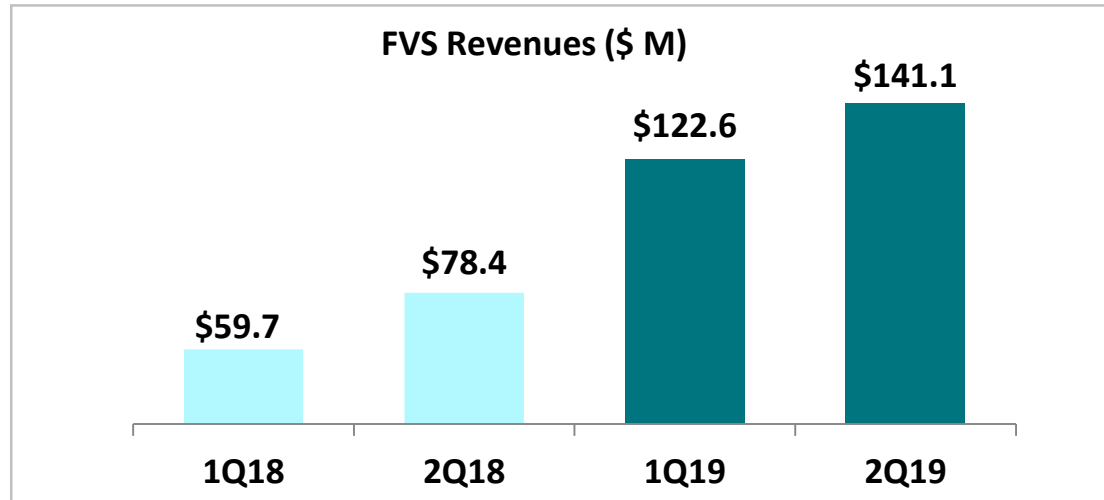
- Adjusted EBITDA rose \$0.6M to \$9.5M
- Adjusted EBITDA margin decreased 100 basis points to 3.8% of sales compared to 4.8% of sales
 - Primarily driven by unfavorable mix, start-up costs and higher material costs
- Adjusted net income rose 18.9% to \$5.1M from \$4.3M
 - Includes \$0.8M, or \$0.02 per share, of start-up costs relating to Detroit Truck Manufacturing compared to \$0.3M, or \$0.01 per share a year ago
- Adjusted EPS of \$0.15 versus \$0.12 a year ago
- Backlog down 5.6% to \$494.5M from \$524.1M a year ago.
 - Excluding the unique USPS truck body order, backlog totaled \$465.8M, up 45.7% compared to \$319.8M in 2018



See GAAP reconciliation in Appendix

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FLEET VEHICLES & SERVICES – 2Q19

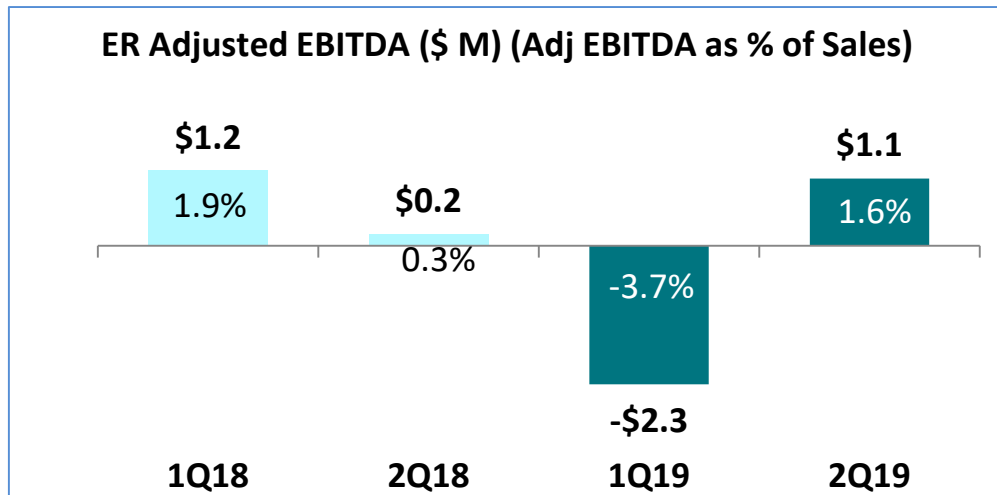
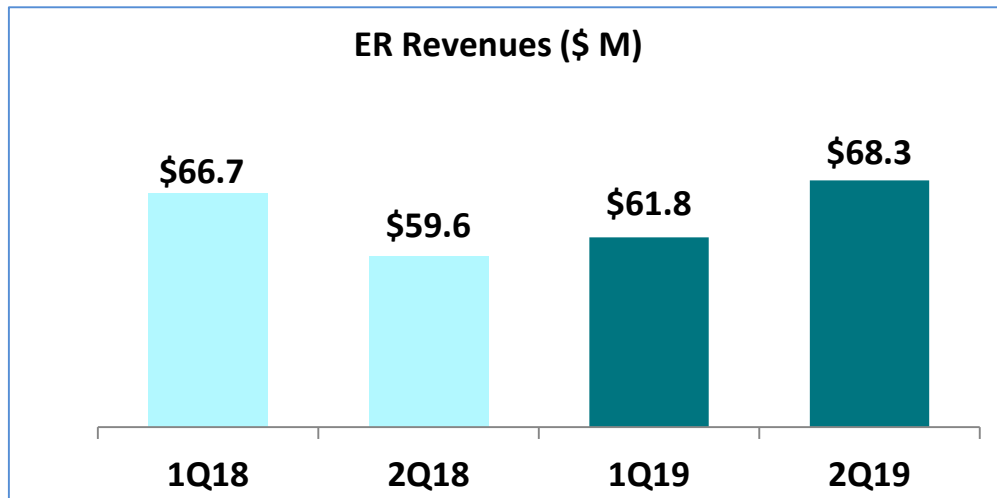


*Normalized Adj EBITDA as a % of sales eliminates impact of 1) 2018 nonrecurring order, 2) USPS pass-through chassis sales and 3) upfit start-up costs.

- Revenue up \$62.7M to \$141.1M from \$78.4M
 - Increased volume relating to USPS truck body and last mile delivery vehicle demand
- Adjusted EBITDA decreased by \$0.5M to \$7.9M from \$8.4M primarily due unfavorable sales mix and \$0.7M of upfit startup costs
- Adjusted EBITDA margin decreased 510 basis points to 5.6% of sales from 10.7%. Impacted by:
 - Unfavorable mix related to a 2018 upfit order that did not reoccur
 - USPS pass-through chassis sales up significantly in 2019
 - Upfit startup costs of \$0.7M associated with all three upfit centers, as well as relocating truck body to Charlotte, MI from Bristol, IN
 - Excluding the above, 2Q19 normalized adjusted EBITDA margin was 7.5% compared to 6.3% a year ago
- Excluding the USPS truck body order, backlog totaled \$243.7M, up \$134.6M or 123.4% compared to \$109.1M at June 30, 2018



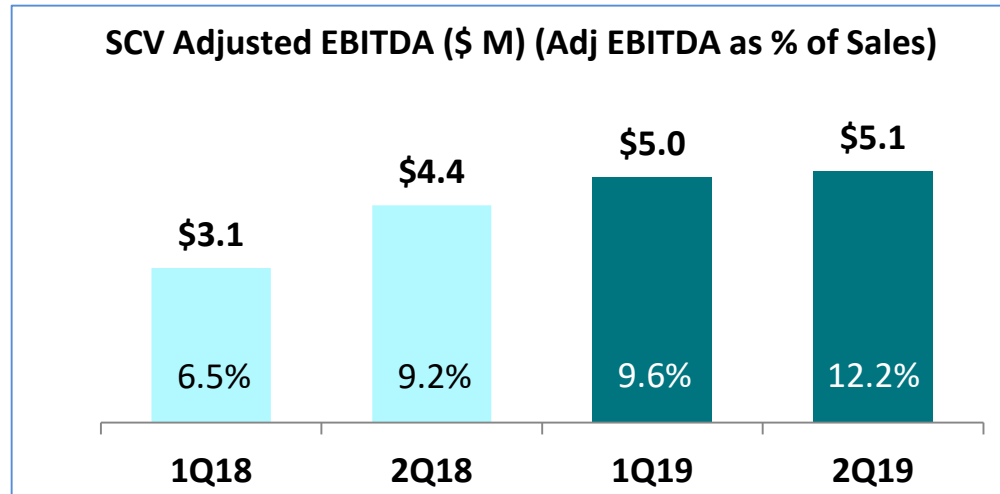
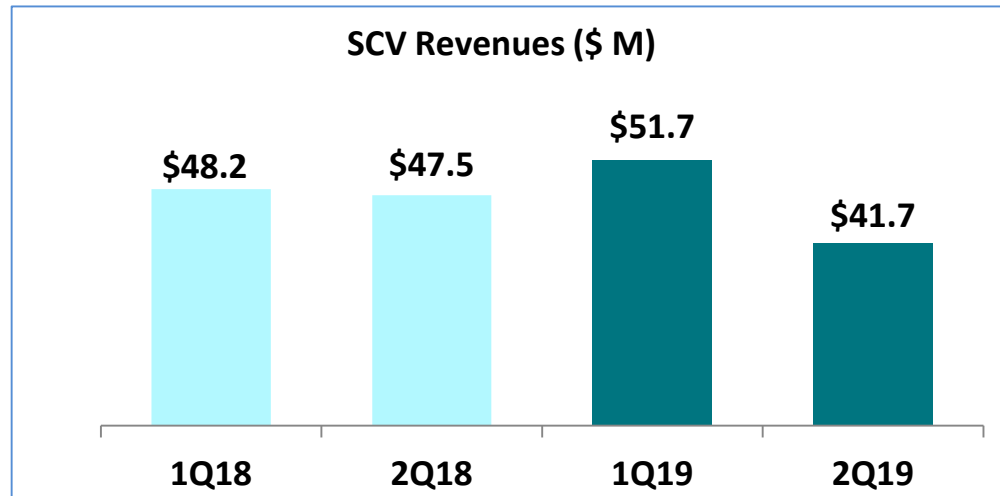
EMERGENCY RESPONSE – 2Q19



- Revenue up 14.5% to \$68.3M from \$59.6M
 - Increased volume and improved pricing
- Adjusted EBITDA rose \$0.9M to \$1.1M compared to \$0.2M last year
 - Pricing, volume and mix, acquisition related adjustments, partially reduced by higher supplier costs
- Backlog up 8.0% to \$189.7M compared to \$175.6M a year ago



SPECIALTY CHASSIS & VEHICLES – 2Q19



- Revenue down \$5.8M, or 12.1%, to \$41.7M from \$47.5M last year
 - \$8.5M decrease in luxury motor coach chassis sales, offset by higher contract manufacturing, including Reach® vehicles
- SCV adjusted EBITDA increased \$0.7M to \$5.1M from \$4.4M
- Adjusted EBITDA margin improved 300 basis points to 12.2% of sales from 9.2% of sales
 - Due to mix and increased manufacturing throughput
- Backlog up 11.2% sequentially to \$32.4M, compared to \$29.1M at March 31, 2019.



BALANCE SHEET – 2Q19

Spartan Motors, Inc.
Summary Balance Sheet
(unaudited)

(\$000's)	Jun 30, 2019	Dec 31, 2018
Assets		
Cash	\$ 17,897	\$ 27,439
Accts Receivable	122,083	106,801
Contract Assets	46,077	36,027
Inventory	82,065	69,992
PP&E	55,595	56,567
Right of Use Assets-Operating Leases	14,953	-
Other Assets	56,138	56,958
Total Assets	\$ 394,808	\$ 353,784
Liabilities & Shareholders' Equity		
Accts Payable	\$ 105,580	\$ 76,399
Long-term Operating Lease Liability	11,636	-
Long-term Debt	20,914	25,547
Other Liabilities	69,092	65,756
Total Liabilities	207,222	167,702
Shareholders' Equity	187,586	186,082
Total Liabilities & Equity	\$ 394,808	\$ 353,784
Total Liquidity		
Cash	\$ 17,897	\$ 27,439
Net Borrowing Capacity	83,356	86,410
Total Liquidity	\$ 101,253	\$ 113,849

- Total liquidity of \$101.3M at 2Q19 reflects:
 - \$17.9M cash on hand
 - \$83.4M of borrowing capacity
- Long-term debt of \$20.9M reflects \$5.0M paid down on the revolving credit facility during the quarter



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 presentation such items include expenses associated with restructuring actions taken to improve the efficiency and profitability of certain of our manufacturing operations, expenses related to product recall campaigns, litigation settlements, long-term strategic planning expenses, non-cash charges related to the impairment of assets, 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 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 long 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 annual and long-term 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	<u>374</u>	<u>323</u>
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	<u>(0.00)</u>	<u>0.01</u>
Adjusted diluted net earnings per share	<u>\$0.04</u>	<u>\$0.09</u>



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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	<u>313</u>	<u>270</u>
EBITDA	\$7,395	\$8,133
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	<u>273</u>	<u>-</u>
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	<u>(0.01)</u>	<u>(0.01)</u>
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)	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>



RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Financial Summary (Non-GAAP)

Consolidated

(In thousands, except per share data)

(Unaudited)

	Forecast Year Ending December 31, 2019		
	Low	Mid	High
Net income	\$ 24,135	\$ 25,288	\$ 26,441
Add:			
Depreciation and amortization	10,610	10,610	10,610
Interest expense	1,229	1,229	1,229
Taxes	6,648	6,965	7,281
EBITDA	\$ 42,622	\$ 44,092	\$ 45,561
Add (subtract):			
Restructuring and other charges, net	653	653	653
Adjusted EBITDA	<u>\$ 43,275</u>	<u>\$ 44,745</u>	<u>\$ 46,214</u>
Earnings per share	\$ 0.68	\$ 0.72	\$ 0.75
Add:			
Restructuring and other charges, net	0.02	0.02	0.02
Less tax effect of adjustments	-	-	-
Adjusted earnings per share	<u>\$ 0.70</u>	<u>\$ 0.74</u>	<u>\$ 0.77</u>





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