

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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): May 15, 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 7.01 Regulation FD Disclosure

Spartan Motors, Inc. (the “Company”) has prepared updated information for use in connection with presentations to investors or analysts. A copy of the investor presentation is furnished as Exhibit 99.1 to this Current Report and is incorporated into this Item 7.01 by reference. A copy of the management presentation will be available on the Company’s website at www.spartanmotors.com.

The information in this Item 7.01 and the attached Exhibit 99.1 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 Spartan Motors, Inc. presentation dated May 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: May 15, 2017

/s/ Frederick J. Sohm

By: Frederick J. Sohm

Its: Interim Chief Financial Officer



COMMAND
YOUR ROAD.

INVESTOR PRESENTATION

May 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.

SPARTAN MOTORS (NASDAQ: SPAR)



A leader in the design, engineering, manufacture, and service of specialty vehicles and chassis

Operational Overview

- Chassis, vehicles, truck bodies, and aftermarket parts for fleet and delivery, recreational vehicles, emergency response, up-fit and contract manufacturing markets
- 2016 Sales - \$591M
 - Pro-forma (with Smeal) ~ \$660M
- 2016 Net Income - \$8.6M
 - Improved by \$25.6M marking most profitable year since 2009
- Employees: 2,200

Fleet Vehicles & Services

2016 Sales \$278.4M

Specialty Chassis & Vehicles

2016 Sales \$129.4M

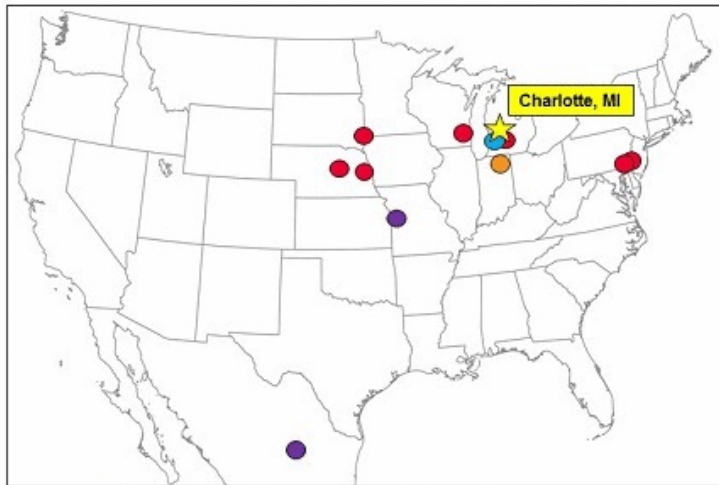
Emergency Response

2016 Sales \$183.0M

COMPANY TIMELINE



SPARTAN MOTORS LOCATIONS



★ Headquarters ● FVS ● SCV ● ER ● Upfit



Spartan Location Statistics

- 26 facilities/office buildings
 - 2.1 million square feet
 - 235 acres
 - IN, KS, MI, NE, PA, SD, WI, MX
- 48 Dealers with coverage in 50 states, 10 provinces and 3 territories
- 2,200 employees

EXPERIENCED MANAGEMENT TEAM



Spartan Motors, Inc
CEO: Daryl Adams
Since: Aug 2014
Industry Exp: 29 yrs
Midway Products Group, Lear Corporation



Fleet Vehicles & Services (FVS)
President: John Forbes
Since: Nov 2009
Industry Exp: 21 yrs
Utilimaster, Nautic Global Group



Spartan Motors, Inc
CFO: Rick Sohm
Since: Sep 2015
Industry Exp: 25 yrs
ArvinMeritor, DaimlerChrysler



Specialty Chassis & Vehicles (SCV)
President: Steve Guillaume
Since: May 2015
Industry Exp: 26 yrs
Navistar

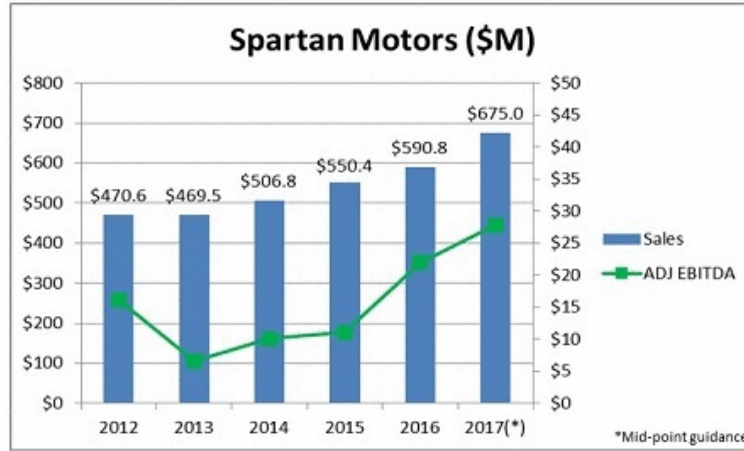


Spartan Motors, Inc
CAO: Tom Schultz
Since: Jul 2014
Industry Exp: 25 yrs
BASF, United Technologies, American Axle



Emergency Response (ER)
President: John Slawson
Since: Nov 2015
Industry Exp: 22 yrs
Horton Emergency Vehicles, US Tanker, Oshkosh, Pierce Manufacturing

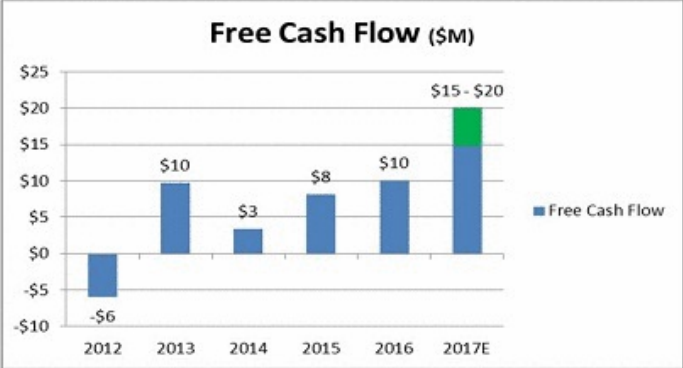
SPAR – SALES & ADJUSTED EBITDA



SPAR – FREE CASH FLOW



Paid \$10M on revolver May 9, 2017
Opportunity for additional payments



FVS – FLEET VEHICLES & SERVICES



UTILIMASTER
A SPARTAN MOTORS COMPANY



Fleet Vehicles & Services (FVS)

Market leader: 55% market share in walk-in vans

Sales \$278.4M*

- Walk-in vans, van up-fit, food service & mobile retail, truck bodies,
- Alternative fuel solutions



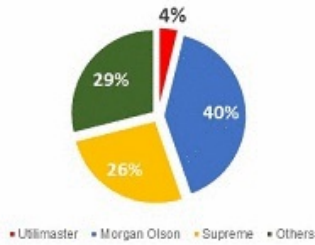
FVS – MARKET SHARE



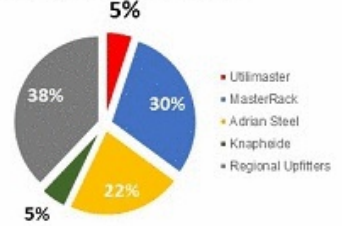
Walk-in Market Share



Truck Body Market Share



Van Up-fit Market Share

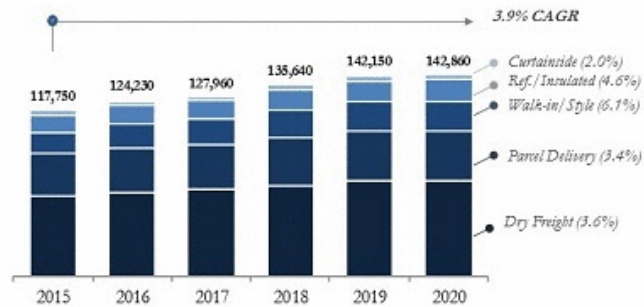


**Total Addressable Market
\$6.5 Billion**

FVS – MARKET OUTLOOK



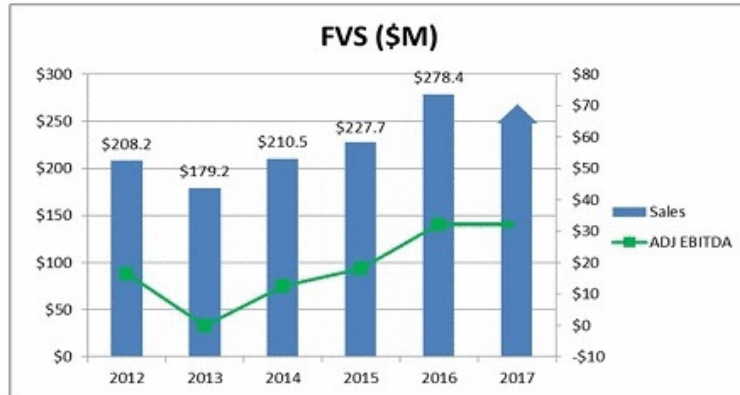
FLEET VEHICLES & SERVICES (FVS)



Van/Truck Body Outlook

- From 2013 – 2015, production in N.A. increased ~17%, driven by replacement demand needs pent-up from the recession years
- Putting this catch-up demand behind, the outlook appears to be a more steady-state annual growth of nearly 4%
- However, in terms of product mix, the growth areas will be in the industry's premium products – walk-in vans and refrigerated/insulated units

FVS – SALES & ADJUSTED EBITDA



FVS – CURRENT PRODUCTS



Step or Walk-In Vans



Fleet Solutions



Cargo Management Systems (van up-fit)



FVS – VAN UP-FIT



Fleet & Cargo Van Up-fit Business

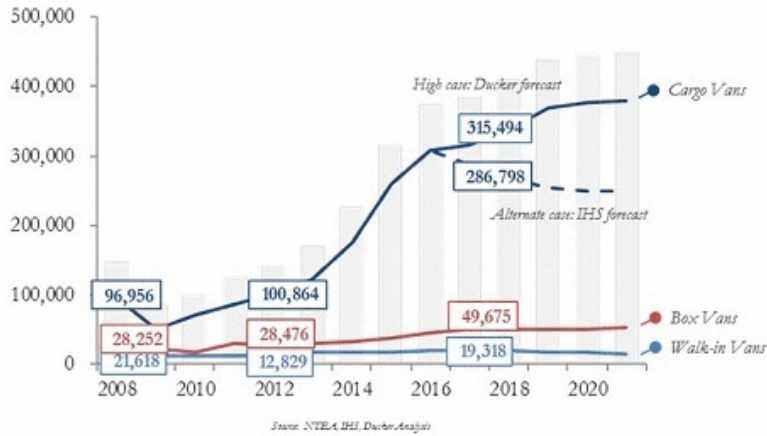
- Launched new 146,000 sq ft leased facility in Kansas City
 - Provide tailored up-fits of cargo vans and other fleet vehicles
 - Utilizing Ford's "ship-thru" program enables free post up-fit shipping to dealerships
 - Optimizes speed of delivery for businesses
- Operating since 2014, a 100,000 sq ft facility in Saltillo, Mexico
 - Approximately 200 contract employees
 - Current 20,000 unit capacity
 - Primarily Dodge Ram Promaster
 - Factory completions, fleet vocations, MOPAR offerings, PDI/DOT completions



FVS – VAN UP-FIT MARKET OUTLOOK



N.A. Upfitted Van Volumes (units by van type)



- Cargo van upfit volumes represent nearly 5x the volume of walk-in vans and box vans
- According to Ducker, market share among cargo van nameplates will remain relatively stable, with the Chevrolet Express and Ford Transit accounting for the majority of the market through the forecast period.
- There is a market shift towards smaller vans with fleets moving from full size vans down to mid-size vans, such as Promaster City, NV series and Ford Transit Connect

FVS AND SCV LAST MILE DELIVERY



FVS and SCV Vehicles



SCV – SPECIALTY CHASSIS & VEHICLES



**Specialty Chassis
& Vehicles (SCV)**

**#1 brand: 400-600 hp RV
chassis market**

Sales \$129.4M*

- Motorhome & bus chassis
- Specialty and defense group
- Isuzu: #1 contract mfr.

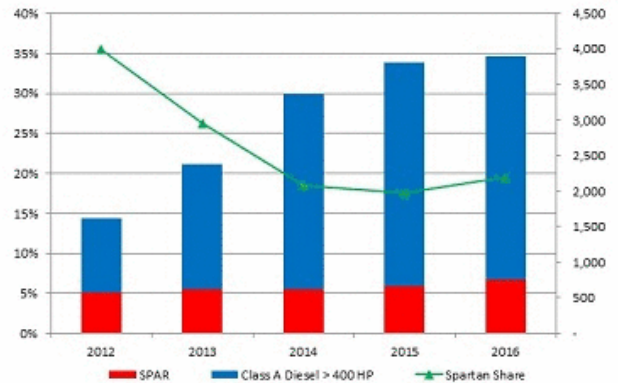
**2016 Results*



RV – CLASS A DIESEL MARKET SHARE



- Have seen a recovery in the Class A Diesel segment since the Great Recession
- Class A Diesel has stabilized over the last few years
 - Relatively flat YOY 2016 vs. 2015
- Expect 2017 to be consistent with this trend, expecting flat YOY sales during the first half of 2017, then modest growth vs. 2016
- Long-term lifestyle trends are positive and provide optimism for industry growth in the 2-5 year outlook
- Spartan market share has seen positive growth of 22% since 2014



Total Addressable Market
\$420 Million
(Spartan makes chassis for Class A Diesel > 400 HP - 20% share)

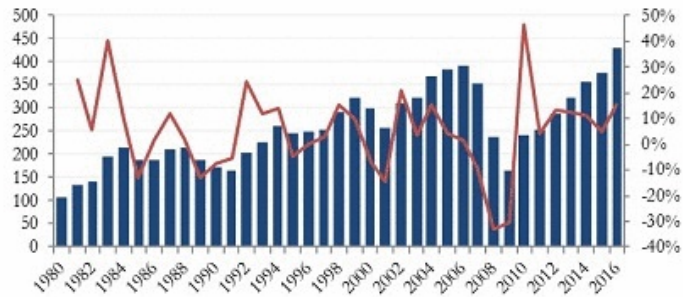
SCV – MARKET OUTLOOK



SPECIALTY CHASSIS
& VEHICLES (SCV)



RV Wholesale Shipments (units in thousands)



Recreational Vehicle Outlook

- RV wholesale shipments continue to rise, increasing 15.1% in 2016 and 4.9% in 2015
- Total units have increased every year since 2009, driven by growth in both motorhomes and towables
- **Favorable industry trends should support continued momentum, including:**
 - Population and demographic trends
 - "Active/outdoor lifestyle" continues to grow
 - RV manufacturers are broadening offerings

SCV – SALES & ADJUSTED EBITDA



SCV – CURRENT PRODUCTS



Isuzu (N-Gas, F Series)



Recreational Vehicles: Class A Chassis



ILAV (Intl Light Armored Vehicles)



Custom Cap/Chassis Capabilities

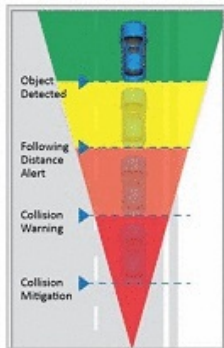


SCV – INNOVATION



Spartan Advance Protection System

- **Collision Mitigation, Warning and Active Braking:** Radar-based forward collision warning indicator first alerts the driver audibly and visually
 - Motor coach actively brakes and de-throttles
 - Always-on monitoring system that provides warnings, even when the cruise control is not set



- **Adaptive Cruise Control:** Assists the driver in maintaining a safe following distance behind the vehicle in front of them by decelerating automatically
- **Electronic Stability Control:** Automatically brakes individual coach wheels to help drivers maintain control of their coach during extreme steering maneuvers
- **Spartan Safe Haul:** Hydraulic tow vehicle braking system integrated with Spartan's chassis systems. Tow vehicles receive adequate and safe air pressure to supply optimal braking performance

ER – EMERGENCY RESPONSE




Emergency Response (ER)

Top 4 North American Fire Apparatus Manufacturer

Sales \$253.0M*

- Custom fire truck cab & chassis
- Aerials, pumpers, tankers & rescues

*2016 Spartan sales plus ~\$70M Smeal

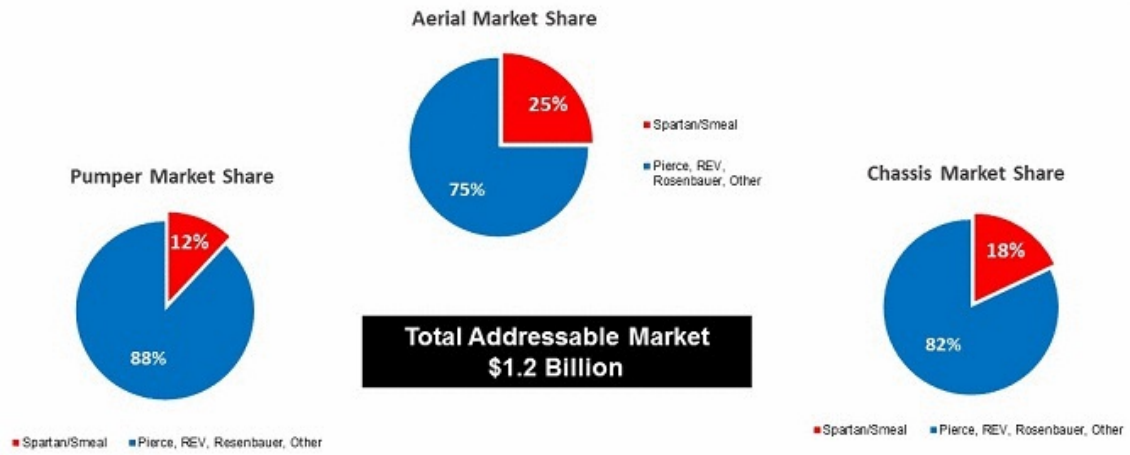
Top OEM's



Top Customers



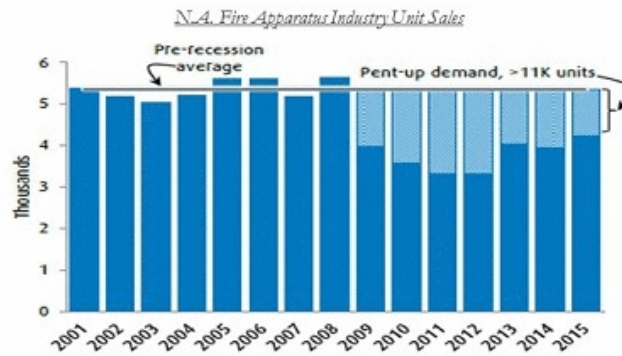
ER – MARKET SHARE



ER – MARKET OUTLOOK



EMERGENCY
RESPONSE (ER)



Fire Apparatus Outlook

- After hitting a high point in 2008 at over 5,000 units, municipal budget cuts during the recession reduced sales more than 40% to a low in 2011
- Since that time, the market has shown some signs of improvement, but overall it has remained soft
- The lower-than-average buying since 2009 has created an estimated 11k units of pent-up demand versus pre-recession levels, which should help buoy sales over the next several years

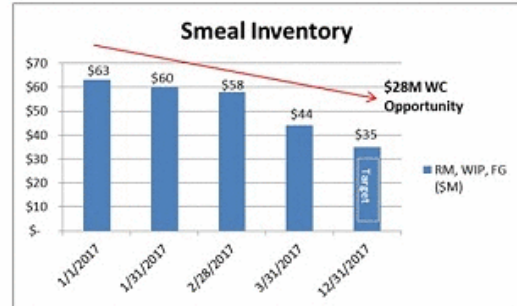
ER – SMEAL ACQUISITION



- 2017 revenues – approximately \$105M (excludes \$20M inter-co SPAR chassis)
 - 2016 revenues - \$70M
- ER business unit now top-four North American fire apparatus manufacturer
 - Expanded product portfolio, including industry leading premier aerials ladders and platforms
 - Reinvigorated and excited dealer channels
 - Expanded geographically – 48 dealers in 50 states, 10 provinces and 3 territories
- Integration efforts running ahead of schedule, including additional synergies identified
- ER remains on track to return to profitability on an adjusted basis in 2017

Acquisition closed on Jan 1, 2017

- \$32.5M in cash consideration
- Smeal inventory reduction initiative will essentially pay for the transaction
- Paid \$10M on revolver May 9, 2017



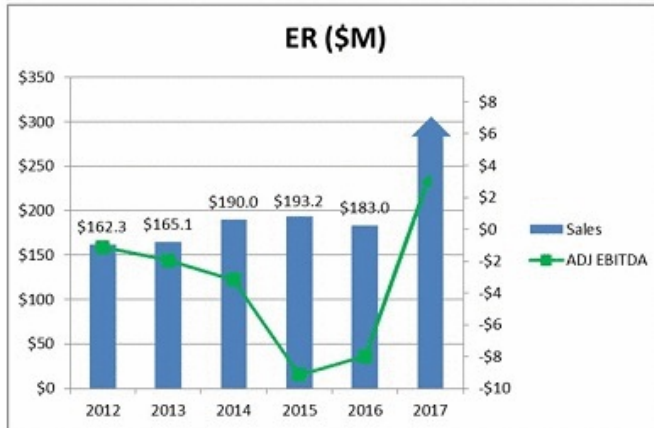
Synergy Example

Pump module value stream improvement

- Improve pump and plumbing assembly process.
Build pump module on fixture versus on chassis.
 - Eliminate large amounts of rework
 - Establish a feeder line
 - Lower WIP
- Realization Date: 01 October 2017
- Annualized Impact: \$900,000



ER – FINANCIAL OUTLOOK



ER Will be Profitable in 2017

- Smeal integration is running ahead of schedule
- Identified additional synergies opportunities
- Accelerates the ER turnaround timeline

ER – CURRENT PRODUCTS



Cab / Chassis



S-180 Truck Program



Aerials, Pumpers, Tankers & Rescues



S-180 Line of Pumpers

- Order to delivery in less than ½ the time of any competitor
 - Industry average delivery – 330 days
 - Addressable market 30% - 40%
 - Currently offering 11 Models
- Significant dealer interest – including newly acquired Smeal dealer network
- Well received – momentum building
 - Shipped 14 S-180 trucks in 1Q17, up from 5 in 4Q16
 - Backlog building with 18 units scheduled to be built through June, 2017

ER – INNOVATION



Side Curtain Airbags



Intelligent Seat Belts



Side Impact Protection



Outboard Sensors



Spartan Advance Protection System (APS)

- Industry's leading safety system
- 8 airbags (best competitor offers 3)
- Intelligent seat belts actively tighten and then release webbing to reduce torso injury
- Onboard sensors protect from multi-angle impact
- Ejection mitigation and anti-rollover technology

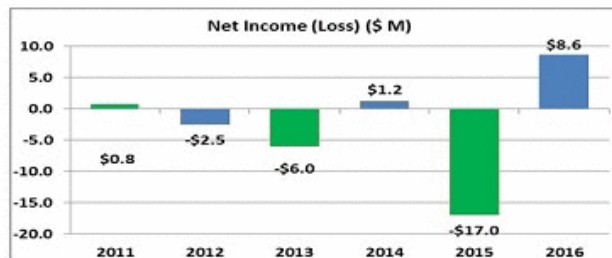
Spartan Independent Front Suspension (IFS)

- Outperforms category leader
 - Product performance
 - Vale equation (acquisition cost and cost of operation)



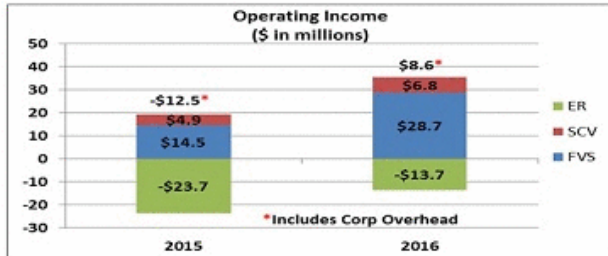
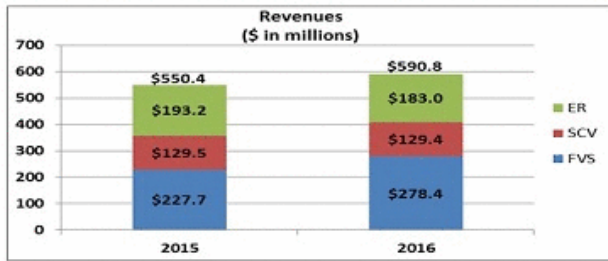
FINANCIAL REVIEW

FULL YEAR 2016 – CORPORATE OVERVIEW



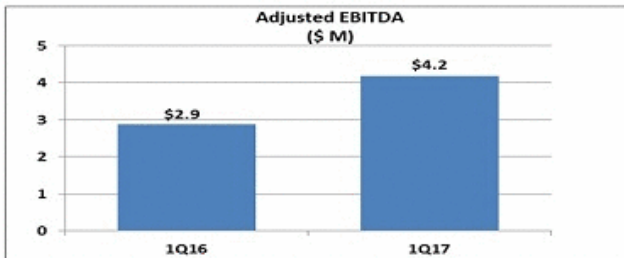
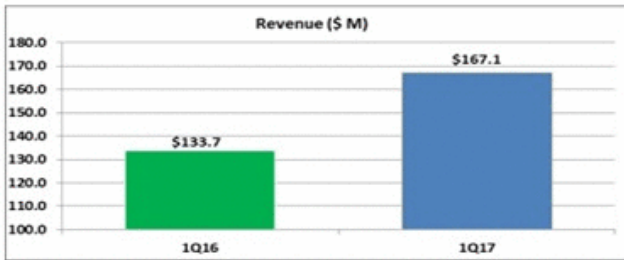
- Sales for 2016 rose 7.3% to \$590.8M from \$550.4M
- **2016 net income improved \$25.6M to \$8.6M, or \$0.25 per share, from net loss of \$17M, or \$0.50 per share**
- Strongest profitable full year since 2009
- Significant progress in our multi-year turnaround effort – led by:
 - Operational improvements
 - Talent upgrades
- Gross profit margin grew 370 bps to 12.3%
- Operating income improved \$21.1M to \$8.6M from a loss of \$12.5M
 - Includes \$0.9M of acquisition expenses

FULL YEAR 2016 – SEGMENT OVERVIEW



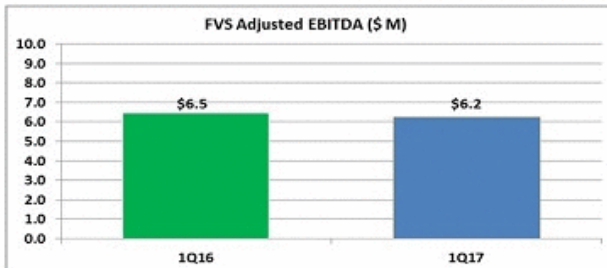
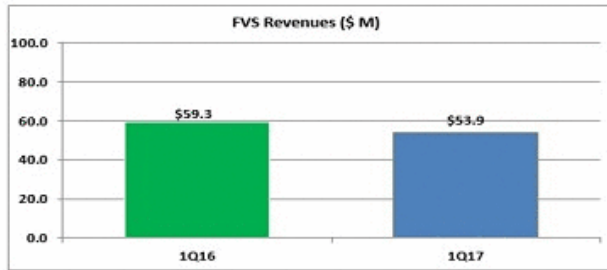
- FVS posted a 22.3% increase in revenue to \$278.4M from \$227.7M, reflecting higher volume of vehicle up-fits
- FVS operating income rose 97.9% to \$28.7M, reflecting favorable mix
- SCV revenues remained flat at \$129.4M, due to lower motorhome shipments, offset by higher contract manufacturing
- SCV operating income grew 39.5% to \$6.8M, reflecting favorable mix
- ER revenues declined 5.3% to \$183.0M, from \$193.2M, reflecting fewer, but more profitable shipments
- ER operating loss improved 42.4% to \$13.7M from a loss of \$23.7M, reflecting operational improvements and a reduction in one-time charges from a year ago

CORPORATE OVERVIEW – 1Q17



- Revenue for the 1Q17 increased \$33.4M to \$167.1M from \$133.7M
 - Increase primarily driven by \$35.2M in sales from Smeal acquisition
 - Excludes \$5.5M inter-co chassis sales
 - Expect Smeal to contribute \$105M to 2017 revenues
- **Adjusted EBITDA increased 45.7% to \$4.2M from \$2.9M**
 - Adjusted EBITDA margin improved 40 basis points to 2.5% of sales, from 2.1%
 - Operational improvements from implementing the Spartan Production System, lean manufacturing and continuous improvement initiatives
 - Excludes the impact of:
 - Restructuring and acquisition related expenses of \$1.5M versus \$0.3M last year
 - Chassis impact to Smeal of \$1.1M
- Backlog of \$351.3M compared to \$249.5M at December 31, 2016

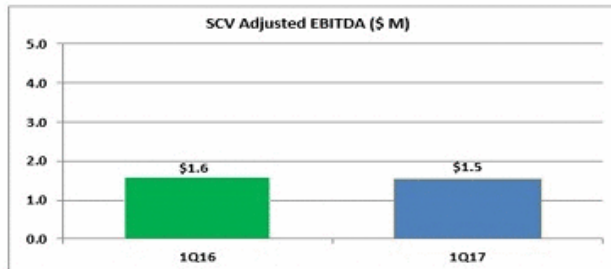
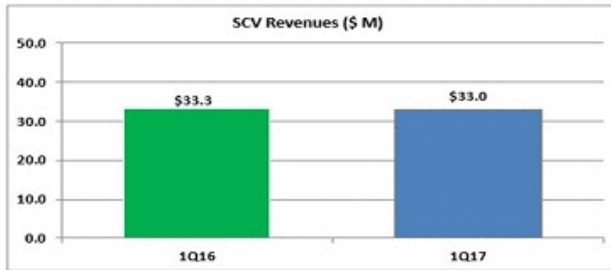
FLEET VEHICLES & SERVICES – 1Q17



- Revenue down 9.1% to \$53.9M from \$59.3M
 - Lower part and up-fit volumes offset by favorable product mix
- Adjusted EBITDA decreased \$0.3M to \$6.2M from \$6.5M due to lower volumes
- Adjusted EBITDA margin improved 70 basis points to 11.6% of sales from 10.9%
 - Improved labor and manufacturing productivity
 - Labor efficiency up to 80% from 60% a year ago
- Backlog of \$114.0M compared to \$89.5M at December 31, 2016

Orders for the Reach vehicle are accelerating – running ahead of original plan

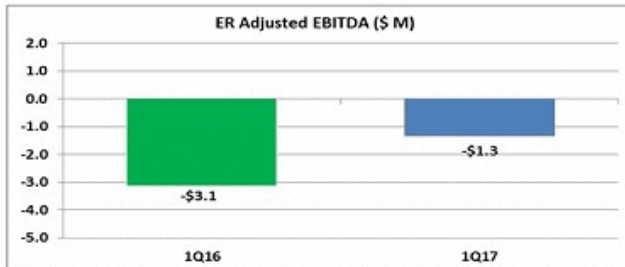
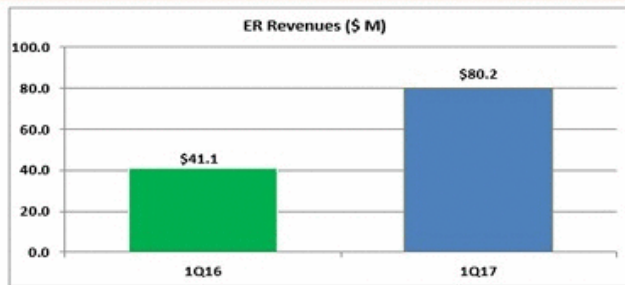
SPECIALTY CHASSIS & VEHICLES – 1Q17



- Revenue down \$0.3M to \$33.0M from \$33.3M
 - Decline primarily due to a defense order in 2016 that did not reoccur in 2017
- SCV adjusted EBITDA declined 3.9% to \$1.5M, reflecting the nonrecurring defense order
- Adjusted EBITDA margin declined 10 basis points to 4.7% of sales from 4.8% of sales
- **Backlog increased 13.4% to \$22.8M compared to \$20.1M at December 31, 2016**

F- Series production ramping up to 10 units per day

EMERGENCY RESPONSE – 1Q17



- Revenue up 95.1% to \$80.2M from \$41.1M
 - Increase due to \$35.2M in sales from Smeal acquisition
- ER adjusted EBITDA loss improved \$1.8M to \$1.3M from a loss of \$3.1M
 - Reflects improved product quality, warranty costs, material efficiencies, improved vehicle mix and increased labor and manufacturing productivity
- Backlog of \$214.5M compared to \$139.9M at December 31, 2016
 - Includes \$78.6M Smeal backlog

S-180 backlog continues to build as dealer/customer interest grows

BALANCE SHEET – 1Q17



Spartan Motors Summary Balance Sheet

	Mar 31, 2017 <small>(unaudited)</small>	Dec 31, 2016 <small>(audited)</small>
Assets		
Cash	\$ 35,412	\$ 32,041
Accts Receivable	64,189	65,441
Inventory	109,153	58,896
PP&E	58,134	53,116
Other Assets	46,921	33,800
Total Assets	\$ 313,809	\$ 243,294
Liabilities & Shareholders' Equity		
Accts Payable	\$ 35,890	\$ 31,336
Long-term Debt	32,860	74
Other Liabilities	93,350	58,932
Total Liabilities	\$ 162,100	\$ 90,342
Shareholders' Equity	151,709	152,952
Total Liabilities & Equity	\$ 313,809	\$ 243,294
Total Liquidity		
Cash	\$ 35,412	\$ 32,041
Net Borrowing Capacity	35,514	71,057
Total Liquidity	\$ 70,926	\$ 103,098

- Cash on hand up 10.6% to \$35.4M from \$32.0M at Dec 31, 2016
- Inventory at \$109.2M, up \$50.3M since Dec 31, 2016
 - Includes \$43.6M from Smeal acquisition
 - Excluding Smeal, base business ended Mar 31, 2017 at \$65.6M, down from \$71.2M at Mar 31, 2016
 - Smeal inventory down \$20M at Mar 31, 2017 from the Jan 1, 2017 acquisition
- Long-term debt of \$32.8M at 1Q17 reflects borrowings for the Smeal acquisition
- Total liquidity of \$70.9M reflects cash on hand and borrowing capacity on \$100M credit facility

FINANCIAL OUTLOOK – 2017



2017 Guidance						
<i>(\$M except per share)</i>	Current Guidance			Previous Guidance		
	Low	Mid-point	High	Low	Mid-point	High
Revenue	\$650.0	\$675.0	\$700.0	\$615.0	\$650.0	\$685.0
Restructuring/Acq Costs		\$3.2			\$2.8	
Adjusted EBITDA	\$26.5	\$27.8	\$29.0	\$25.1	\$26.7	\$28.3
Income tax expense	\$1.5	\$1.9	\$2.3	\$1.7	\$2.3	\$2.8
Interest Expense		\$0.8			\$1.0	
Adjusted EPS	\$0.36	\$0.39	\$0.41	\$0.30	\$0.33	\$0.36
Shares outstanding		35,000			34,800	

Adjusted 2017 EPS up 18% from previous guidance and up 22% over 2016

CASE FOR INVESTING IN SPAR



- **Right Management Team in Place to Lead Turnaround**
 - Nearly 95% of senior leadership is new
 - Accountable and deeper bench of talent throughout the organization
 - Realigned Company with increased footprint and scale
- **Quality / Lean Initiatives Having Positive Impact**
 - Spartan Production System and lean manufacturing initiatives driving operational excellence
 - Quality and warranty engineers added
 - Following automotive industry standard product development processes
- **Growth and Profit Improvement Plan Gaining Traction**
 - Five quarters of profitability – not achieved since 3Q2009
 - Segments well positioned for positive topline and bottom line growth
 - ER, with Smeal acquisition, on track to return to profitability in 2017, on an adjusted basis
 - Financial outlook improving – earnings growth to outpace revenue growth
 - Strong balance sheet, \$35M Cash, \$71M Liquidity *(as of 3/31/17)*



APPENDIX

SPARTAN MOTORS – FIVE FOCAL POINTS



- 1) **Turnaround Emergency Response Business**
 - *Investing in Ephrata, Expanding Capacity in Charlotte*
 - *Give Brandon Tools to Succeed*
 - *Change Go-To Market Strategy*
- 2) **Improve Operational Discipline & Performance**
 - *Lean Principles and Continuous Improvement*
 - *Leverage Capabilities and Share Best Practices at Each Plant*
 - *Greater Focus on Operational Metrics*
 - *Launch Spartan Production Systems Implementation*
- 3) **Increase Level of Accountability**
 - *For Performance / Ownership / Leadership*
 - *Proactive Integration of Duplicate / Redundant Functions*
 - *Ability to Execute Our Turnaround Plan*
- 4) **Improve Quality and Reduce Warranty Expense**
 - *Do the Right Things the Right Way, the First Time*
 - *Higher Quality → Greater Customer Satisfaction → Growth*
- 5) **Strengthen and Develop the Team**
 - *Continue to Evaluate, Coach and Mentor the Team*
 - *Continue to Develop Succession Plans for Key Positions*

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES



Reconciliation of Non-GAAP Financial Measures

This release contains Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), free cash flow, forecasted Adjusted EBITDA, forecasted adjusted earnings per share, and forecasted free cash flow, 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 attributable to Spartan Motors, Inc., earnings per share, or net increase (decrease) in cash and cash equivalents 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.

The following tables reconcile net income (loss) to Adjusted EBITDA, forecasted net income attributable to Spartan Motors, Inc. to Adjusted EBITDA, earnings per share to adjusted earnings per share, and net increase (decrease) in cash and cash equivalents to free cash flow 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 March 31			
	2017	% of sales	2016	% of sales
Spartan Motors, Inc.				
Net income (loss) attributable to Spartan Motors, Inc.	\$ (1,098)	-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 (loss) attributable to Spartan Motors, Inc.	\$ 1,284	0.9%	\$ 522	0.4%
Net income (loss) attributable to Spartan Motors, Inc.	\$ (1,098)	-0.7%	\$ 543	0.4%
Add (subtract):				
Depreciation and amortization	2,325		1,786	
Taxes on income	85		93	
Interest expense	266		114	
EBITDA	\$ 1,574	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	\$ 4,189	2.7%	\$ 2,875	2.2%
Diluted net earnings (loss) per share	\$ (0.05)		\$ 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		(0.02)	
Tax effect of adjustments	(0.02)		(0.02)	
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 March 31,			
	2017	% of sales	2016	% of sales
Net income (loss) attributable to Emergency Response	\$ (2,589)	-4.2%	\$ (3,664)	-3.9%
Add (subtract):				
Depreciation and amortization	592		204	
Taxes on income	-		-	
Interest expense	-		-	
Earnings before interest, taxes, depreciation and amortization	\$ (2,007)	-3.8%	\$ (3,458)	-3.4%
Earnings before interest, taxes, depreciation and amortization	\$ (2,007)	-3.8%	\$ (3,458)	-3.4%
Restructuring	399		559	
Impact of acquisition on timing of chassis revenue recognition	1,112		-	
Impact of step-up in inventory value resulting from acquisition	132		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ (1,357)	-1.7%	\$ (2,119)	-1.6%

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%	\$ 5,244	9.4%
Add (subtract):				
Depreciation and amortization	876		873	
Taxes on income	-		-	
Interest expense	37		42	
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%	\$ 1,430	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	66		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 1,503	4.7%	\$ 1,595	4.8%

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



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

Spartan Motors, Inc	Twelve Months Ended December 31,									
	2016	% of sales	2015	% of sales	2014	% of sales	2013	% of sales	2012	% of sales
Net income (loss)	\$ 8,603	1.5%	\$ (17,480)	-3.2%	\$ 1,029	0.2%	\$ (5,969)	-1.3%	\$ (2,457)	-0.5%
Add (subtract):										
Depreciation and amortization	7,903		7,440		8,378		9,238		8,990	
Taxes on income	100		4,880		(2,103)		(1,881)		100	
Interest expense	410		385		342		311		333	
EBITDA	\$ 17,016	2.9%	\$ (4,795)	-0.9%	\$ 7,646	1.5%	\$ 1,699	0.4%	\$ 6,968	1.5%
Add (subtract):										
Restructuring	1,095	-	2,855	-	2,147	0.0%	-	0.0%	9,133	0.0%
Asset impairment	406		2,234		-		4,854		-	
Product recall	3,457		8,600		-		-		-	
NHTSA settlement	-		1,184		-		-		-	
Joint venture	13		1,015		289		-		-	
Adjusted EBITDA	\$ 21,987	3.7%	\$ 11,091	2.0%	\$ 10,062	2.0%	\$ 6,553	1.4%	\$ 16,101	3.4%

Emergency Response Vehicles Segment (In thousands, unaudited)

Net income (loss) attributable to Emergency Response	Twelve Months Ended December 31,									
	2016	% of sales	2015	% of sales	2014	% of sales	2013	% of sales	2012	% of sales
Net income (loss) attributable to Emergency Response	\$ (13,722)	-7.5%	\$ (14,838)	-7.7%	\$ (1,236)	-0.7%	\$ (2,683)	-1.6%	\$ (1,111)	-0.7%
Add (subtract):										
Depreciation and amortization	1,143		914		1,030		1,390		1,711	
Taxes on income	70		(8,553)		(4,982)		(5,070)		(1,809)	
Interest expense	-		-		-		-		-	
Earnings before interest, taxes, depreciation and amortization	\$ (12,509)	-6.8%	\$ (22,777)	-11.8%	\$ (5,188)	-2.7%	\$ (6,363)	-3.9%	\$ (1,209)	-0.7%
Add (subtract):										
Restructuring	1,095		2,855		2,147		-		333	
Asset impairment	406		2,234		-		4,854		-	
Product recall	3,457		7,300		-		-		-	
NHTSA settlement	-		684		-		-		-	
Joint venture expenses	13		1,015		289		-		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ (7,538)	-4.1%	\$ (8,689)	-4.5%	\$ (2,742)	-1.4%	\$ (1,509)	-0.9%	\$ (876)	-0.4%

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Fleet Vehicles and Services Segment (In thousands, unaudited)

	Twelve Months Ended December 31,									
	2016	% of sales	2015	% of sales	2014	% of sales	2013	% of sales	2012	% of sales
Net income (loss) attributable to Fleet Vehicles and Services	\$ 28,585	10.3%	\$ 10,258	4.5%	\$ 7,019	3.3%	\$ (1,865)	-1.0%	\$ 3,751	1.8%
Add (subtract):										
Depreciation and amortization	3,455		3,631		4,297		3,781		2,648	
Taxes on income	-		4,249		1,260		(2,103)		2,243	
Interest expense	162		85		54		38		63	
Earnings before interest, taxes, depreciation and amortization	\$ 32,202	11.6%	\$ 18,203	8.0%	\$ 12,630	6.0%	\$ (149)	-0.1%	\$ 8,705	4.2%
Earnings before interest, taxes, depreciation and amortization	\$ 32,202	11.6%	\$ 18,203	8.0%	\$ 12,630	6.0%	\$ (149)	-0.1%	\$ 8,705	4.2%
Restructuring	-		-		-		-		7,250	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 32,202	11.6%	\$ 18,203	8.0%	\$ 12,630	6.0%	\$ (149)	-0.1%	\$ 16,455	7.9%

Specialty Chassis and Vehicles Segment (In thousands, unaudited)

	Twelve Months Ended December 31,									
	2016	% of sales	2015	% of sales	2014	% of sales	2013	% of sales	2012	% of sales
Net income (loss) attributable to Specialty Chassis and Vehicles	\$ 6,846	5.3%	\$ 4,906	3.8%	\$ 6,619	6.2%	\$ 10,050	8.0%	\$ 2,198	2.2%
Add (subtract):										
Depreciation and amortization	519		408		669		1,498		1,945	
Taxes on income	-		-		-		-		-	
Interest expense	-		-		-		-		-	
Earnings before interest, taxes, depreciation and amortization	\$ 7,365	5.7%	\$ 5,314	4.1%	\$ 7,288	6.9%	\$ 11,528	9.2%	\$ 4,143	4.1%
Earnings before interest, taxes, depreciation and amortization	\$ 7,365	5.7%	\$ 5,314	4.1%	\$ 7,288	6.9%	\$ 11,528	9.2%	\$ 4,143	4.1%
Restructuring	-		-		-		-		585	
Product recall	-		1,300		-		-		-	
NHTSA settlement	-		500		-		-		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 7,365	5.7%	\$ 7,114	5.5%	\$ 7,288	5.8%	\$ 11,528	8.9%	\$ 4,728	3.7%

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Financial Summary (Non-GAAP)

Consolidated

(In thousands, except per share data)

(Unaudited)

	2017 Fcst	2016	2015	2014	2013	2012
Operating Activities						
Net earnings (loss)	\$10,300 - \$12,000	\$ 8,603	\$ (17,480)	\$ 1,029	\$ (5,969)	\$ (2,457)
Depreciation & amortization	10,741	7,903	7,437	8,378	9,238	8,990
Accruals for warranty	-	12,989	15,388	6,533	5,911	3,515
Asset impairments	-	406	2,234	-	4,854	5,621
Change in working capital	10,700	(5,430)	(1,044)	(9,444)	680	(11,182)
Other, net	1,759	(1,020)	6,365	10	(1,668)	1,880
Net cash provided by operating activities (A)	33,500 - 35,200	23,451	12,900	6,506	13,046	6,367
Capital expenditures (B)	(15,200) - (18,500)	(13,410)	(4,895)	(3,463)	(3,526)	(12,468)
Payments on long-term debt	(10,000)	(5,058)	(75)	(80)	(86)	(73)
Purchase and retirement of common stock	-	(2,000)	-	(2,000)	-	-
Dividends	(3,450)	(3,444)	(3,426)	(3,427)	(3,414)	(3,383)
Other	-	(199)	(373)	327	2,939	(372)
Net increase (decrease) in cash and cash equivalents	\$1,550 - \$6,550	\$ (660)	\$ 4,131	\$ (2,137)	\$ 8,959	\$ (9,929)
Free cash flow (A-B)	\$15,000 - \$20,000	\$ 10,041	\$ 8,005	\$ 3,043	\$ 9,520	\$ (6,101)

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



FINANCIAL SUMMARY (Non-GAAP) CONSOLIDATED

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

	Forecast Year Ending December 31, 2017		
	Low	Mid	High
Net income	\$ 10,300	\$ 11,150	\$ 12,000
Add:			
Depreciation and amortization	10,741	10,741	10,741
Interest expense	800	800	800
Taxes	1,500	1,900	2,300
EBITDA	23,341	24,591	25,841
Add (subtract):			
Acquisition related expenses	672	672	672
Chassis shipment delay	2,487	2,487	2,487
Adjusted EBITDA	\$ 26,500	\$ 27,750	\$ 29,000
Earnings per share	\$ 0.29	\$ 0.32	\$ 0.34
Add:			
Acquisition related expenses	0.02	0.02	0.02
Chassis shipment delay	0.07	0.07	0.07
Less tax effect of adjustments	(0.02)	(0.02)	(0.02)
Adjusted earnings per share	\$ 0.36	\$ 0.39	\$ 0.41

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