

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 4, 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.

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**Item 2.02 Results of Operations and Financial Condition**

On May 4, 2017, Spartan Motors, Inc. issued a press release announcing its financial results for the quarter ended March 31, 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 May 4, 2017 regarding the financial results for the quarter ended March 31, 2017.

99.2 Investor presentation dated May 4, 2017 regarding the financial results for the quarter ended March 31, 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 4, 2017

/s/ Frederick J. Sohm

By: Frederick J. Sohm

Its: Chief Financial Officer and Treasure



**SPARTAN MOTORS**

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

## Spartan Motors Reports First Quarter 2017 Results

**CHARLOTTE, Mich., May 4, 2017** - Spartan Motors, Inc. (NASDAQ: SPAR) (“Spartan” or the “Company”), a global leader in specialty chassis and vehicle design, manufacturing and assembly, today reported operating results for the first quarter ending March 31, 2017.

### First Quarter 2017 Highlights

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

- Sales increased 24.9% to \$167.1 million from \$133.7 million and reflects \$35.2 million in sales from the Smeal Fire Apparatus acquisition, which excludes \$5.5 million of Spartan inter-company chassis sales
- Net income declined \$1.6 million to a loss of \$1.1 million, or \$0.03 per share, from income of \$0.5 million, or \$0.02 per share, reflecting \$2.6 million of acquisition and restructuring related expenses compared to \$0.3 million a year ago
- Adjusted net income rose 142.1% to \$1.3 million, or \$0.04 per share, from \$0.5 million, or \$0.02 per share
- Adjusted EBITDA increased 45.7% to \$4.2 million, or 2.5% of sales, from \$2.9 million, or 2.1% of sales
- Backlog increased \$101.8 million to \$351.3 million at March 31, 2017 from \$249.5 million at December 31, 2016 and reflects \$78.6 million in backlog from the Smeal Fire Apparatus acquisition
- Cash increased 10.6% to \$35.4 million at March 31, 2017 compared to \$32.0 million at December 31, 2016

“We are very pleased with the operating results achieved for the quarter. On an adjusted basis, this marks our fifth profitable quarter in a row,” said Daryl Adams, President and Chief Executive Officer. “Our solid performance was driven by the continued operational improvements we have made in labor and manufacturing productivity, as a result of implementing the Spartan Production System, lean manufacturing and continuous improvement initiatives.”

### ***Fleet Vehicles and Services (FVS)***

FVS segment sales decreased 9.1% to \$53.9 million from \$59.3 million. The revenue decline was primarily due to lower volume at vehicle up-fit centers.

Adjusted EBITDA decreased \$0.3 million to \$6.2 million, or 11.6% of sales, from \$6.5 million, or 10.9% of sales, a year ago. Unfavorable mix resulted in the decrease in adjusted EBITDA compared to last year. Despite this decrease, EBITDA margin increased 70 basis points reflecting improved labor and manufacturing productivity.

The Segment backlog at March 31, 2017 totaled \$114.0 million compared to \$89.5 million at December 31, 2016.

### ***Specialty Chassis & Vehicles (SCV)***

SCV segment sales remained comparable at \$33.0 million. Revenues were impacted by a defense order that did not reoccur in 2017.

Adjusted EBITDA decreased 3.9% to \$1.5 million, or 4.7% of sales, from \$1.6 million, or 4.8% of sales, a year ago, mainly due to a defense order that did not reoccur in 2017.

The Segment backlog at March 31, 2017 totaled \$22.8 million compared to \$20.1 million at December 31, 2016.

Spartan Motors, Inc.

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## ***Emergency Response (ER)***

ER segment sales increased \$39.1 million to \$80.2 million, or 95.1%, from \$41.1 million. The Smeal acquisition contributed \$35.2 million of the increase (excludes \$5.5 million of Spartan inter-company chassis sales), offset by fewer shipments of complete fire apparatus and custom cab and chassis compared to a year ago, as the Company continues to focus on profitable sales.

Adjusted EBITDA improved \$1.8 million, to a loss of \$1.3 million from a loss of \$3.1 million a year ago. The improvement was primarily the result of improved quality, increased labor efficiencies and manufacturing productivity.

The Segment backlog at March 31, 2017 totaled \$214.5 million compared to \$139.9 million at December 31, 2016, and reflects \$78.6 million in backlog from Smeal Fire Apparatus.

## ***Acquisition Update***

As previously announced, the Company completed the acquisition of Smeal Fire Apparatus Co. (“Smeal”) and its subsidiaries effective January 1, 2017. Smeal, an industry-leading innovator and manufacturer of fire apparatus in North America, generated first quarter 2017 revenues of \$35.2 million (excludes \$5.5 million of Spartan inter-company chassis sales). Smeal is expected to generate approximately \$105 million in sales, excluding inter-company shipments, during 2017.

The Company results for the 2017 first quarter include approximately \$2.6 million, or \$0.07 per share of acquisition and restructuring related adjustments and expenses.

“Our team has been working tirelessly and our Smeal integration efforts are running ahead of schedule and are already generating positive outcomes,” continued Adams. “Not only have we identified more synergistic opportunities than originally anticipated, we are also experiencing significantly increased interest and excitement in our expanded product portfolio from our dealers and customers. We are excited to share that not only do we have the right team in place to make these integration efforts successful, we’re also applying lessons learned and documenting the process required for future acquisitions. These developments further abbreviate the timeline needed to accelerate the turnaround of the Emergency Response business and it remains on track to return to profitability on an adjusted basis in 2017.”

## ***Raising 2017 Guidance***

“Our strong first quarter performance reflects the favorable impact of successfully implementing lean manufacturing, continuous improvement initiatives across all production facilities and the Smeal integration that is ahead of schedule,” said Rick Sohm, Chief Financial Officer of Spartan Motors. “Looking ahead to the remainder of the year, we expect to see continued year-over-year operational improvements and additional synergies realized from the Smeal integration, which gives us comfort in raising the 2017 guidance.”

Outlook for the full year 2017 is now expected to be as follows:

- Revenue of \$650.0 - \$700.0 million, up from previous guidance of \$615.0 - \$685.0 million
- Restructuring, acquisition costs and inter-company chassis impact of approximately \$3.2 million, net of tax, up from previous guidance of \$2.8 million
- Adjusted EBITDA of \$26.5 - \$29.0 million, up from previous guidance of \$25.1 - \$28.3 million
- Income tax expense of \$1.5 - \$2.3 million, down from previous guidance of \$1.7 - \$2.8 million
- Interest expense of approximately \$0.8 million, down from previous guidance of \$1.0 million
- Adjusted earnings per share of \$0.36 - \$0.41, up from previous guidance of \$0.30 - \$0.36, assuming approximately 35.0 million shares outstanding, up from previous guidance of 34.8 million shares

“The confidence you see from the Spartan team is undeniable. Not only have we made marked improvements toward the Emergency Response business’ turnaround and condensed its associated timeline, we’ve realized additional synergies and in short order have simultaneously managed to improve our base business. There is a drum beat driving this quarter-by-quarter profitability, and it’s not going to stop here. I am incredibly excited to share that confidence with our shareholder community in the form of increased guidance. The progress you see to date as we execute on the Smeal integration plan is only the beginning,” Adams concluded.

**Conference Call, Webcast, Investor Presentation and Investor Information**

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

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

Conference Call: 1-844-868-8845 (domestic) or 412-317-6591 (international); passcode: 10105698

For more information about Spartan, please visit [www.spartanmotors.com](http://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](http://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](http://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 per share data)

	<b>March 31, 2017</b>	<b>December 31,</b>
	<b>(Unaudited)</b>	<b>2016</b>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 35,412	\$ 32,041
Accounts receivable, less allowance of \$300 and \$487	64,189	65,441
Inventories	109,153	58,896
Income taxes receivable	-	1,287
Other current assets	5,318	4,526
<b>Total current assets</b>	<u>214,072</u>	<u>162,191</u>
<b>Property, plant and equipment, net</b>	58,134	53,116
<b>Goodwill</b>	25,630	15,961
<b>Intangible assets, net</b>	10,071	6,385
<b>Other assets</b>	2,675	2,331
<b>Net deferred tax asset</b>	3,227	3,310
<b>TOTAL ASSETS</b>	<u>\$ 313,809</u>	<u>\$ 243,294</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 35,890	\$ 31,336
Accrued warranty	20,191	19,334
Accrued compensation and related taxes	8,353	13,188
Deposits from customers	48,692	16,142
Other current liabilities and accrued expenses	11,143	7,659
Current portion of long-term debt	63	65
<b>Total current liabilities</b>	<u>124,332</u>	<u>87,724</u>
<b>Other non-current liabilities</b>	4,908	2,544
<b>Long-term debt, less current portion</b>	<u>32,860</u>	<u>74</u>
<b>Total liabilities</b>	<u>37,768</u>	<u>90,342</u>
Commitments and contingencies		
<b>Shareholders' equity:</b>		
Preferred stock, no par value; 2,000 shares authorized (none issued)	-	-
Common stock, \$0.01 par value; 40,000 shares authorized; 35,123 and 34,383 outstanding	351	344
Additional paid in capital	76,686	76,837
Retained earnings	75,330	76,428
<b>Total Spartan Motors, Inc. shareholders' equity</b>	<u>152,367</u>	<u>153,609</u>
Non-controlling interest	(658)	(657)
<b>Total shareholders' equity</b>	<u>151,709</u>	<u>152,952</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>\$ 313,809</u>	<u>\$ 243,294</u>

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

	<b>Three Months Ended March 31,</b>			
	<b>2017</b>	<b>% of sales</b>	<b>2016</b>	<b>% of sales</b>
Sales	\$ 167,075		\$ 133,726	
Cost of products sold	150,531	90.1	117,906	88.2
Restructuring charges	150	0.1	-	0.0
<b>Gross profit</b>	<b>16,394</b>	<b>9.8</b>	<b>15,820</b>	<b>11.8</b>
Operating expenses:				
Research and development	2,142	1.3	1,224	0.9
Selling, general and administrative	14,602	8.7	13,566	10.1
Restructuring charges	492	0.3	339	0.3
Total operating expenses	17,236	10.3	15,129	11.3
<b>Operating income (loss)</b>	<b>(842)</b>	<b>(0.5)</b>	<b>691</b>	<b>0.5</b>
Other income (expense):				
Interest expense	(264)	(0.2)	(114)	(0.1)
Interest and other income	90	0.1	59	0.0
Total other income (expense)	(174)	(0.1)	(55)	0.0
Income (loss) before taxes	(1,016)	(0.6)	636	0.5
Taxes	83	0.0	93	0.1
Net income (loss)	(1,099)	(0.7)	543	0.4
Less: Net income (loss) attributable to non-controlling interest	(1)	0.0	-	0.0
<b>Net income (loss) attributable to Spartan Motors, Inc.</b>	<b>\$ (1,098)</b>	<b>(0.7)</b>	<b>\$ 543</b>	<b>0.4</b>
<b>Basic and diluted net income (loss) per share</b>	<b>\$ (0.03)</b>		<b>\$ 0.02</b>	
<b>Basic and diluted weighted average common shares outstanding</b>	<b>33,725</b>		<b>34,280</b>	

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

**Three Months Ended March 31, 2017 (in thousands of dollars)**

	Business Segments				Other	Consolidated
	Emergency Response	Fleet Vehicles and Services	Specialty Chassis & Vehicles			
Emergency response vehicle sales	\$ 77,985	\$ -	\$ -	\$ -	\$ -	\$ 77,985
Fleet vehicle sales	-	43,142	-	-	-	43,142
Motorhome chassis sales	-	-	26,084	-	-	26,084
Other specialty chassis and vehicles	-	-	4,822	-	-	4,822
Aftermarket parts and assemblies	2,217	10,778	2,047	-	-	15,042
Total Sales	<u>\$ 80,202</u>	<u>\$ 53,920</u>	<u>\$ 32,953</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,075</u>
Adjusted EBITDA	\$ (1,337)	\$ 6,244	\$ 1,533	\$ (2,251)	\$ -	\$ 4,189

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

**Three Months Ended March 31, 2016 (in thousands of dollars)**

	Business Segments				Other	Consolidated
	Emergency Response	Fleet Vehicles and Services	Specialty Chassis & Vehicles			
Emergency response vehicle sales	\$ 39,384	\$ -	\$ -	\$ -	\$ -	\$ 39,384
Fleet vehicle sales	-	40,305	-	-	-	40,305
Motorhome chassis sales	-	-	26,431	-	-	26,431
Other specialty chassis and vehicles	-	-	4,405	-	-	4,405
Aftermarket parts and assemblies	1,754	18,987	2,460	-	-	23,201
Total Sales	<u>\$ 41,138</u>	<u>\$ 59,292</u>	<u>\$ 33,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,726</u>
Adjusted EBITDA	\$ (3,119)	\$ 6,462	\$ 1,595	\$ (2,063)	\$ -	\$ 2,875



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

**Period End Backlog (amounts in thousands of dollars)**

	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	Mar. 31, 2016
Emergency Response Vehicles*	\$ 214,463	\$ 139,870	\$ 149,752	\$ 152,177	\$ 160,392
Fleet Vehicles and Services*	113,960	89,549	102,218	139,655	137,717
Motorhome Chassis *	21,772	18,749	19,114	11,197	16,235
Other Vehicles	-	-	-	-	3,737
Aftermarket Parts and Assemblies	1,075	1,288	1,012	1,005	815
Total Specialty Chassis & Vehicles	22,847	20,037	20,126	12,202	20,787
<b>Total Backlog</b>	<b>\$ 351,270</b>	<b>\$ 249,546</b>	<b>\$ 272,096</b>	<b>\$ 304,034</b>	<b>\$ 318,896</b>

\* Anticipated time to fill backlog orders at March 31, 2017; 13 months or less for emergency response vehicles; 3 months or less for motorhome chassis; 7 months or less for fleet vehicles and services; 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 attributable to Spartan Motors, Inc., 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 attributable to Spartan Motors, Inc. 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 (loss) attributable to Spartan Motors, Inc. to Adjusted EBITDA, net income (loss) attributable to Spartan Motors, Inc. to adjusted net income (loss) attributable to Spartan Motors Inc., earnings (loss) per share to adjusted earnings per share, forecasted net income attributable to Spartan Motors, Inc. to Adjusted EBITDA and forecasted earnings (loss) per share to adjusted earnings (loss) per share for the periods indicated.*

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

	<b>Three Months Ended March 31,</b>			
	<b>2017</b>	<b>% of sales</b>	<b>2016</b>	<b>% of sales</b>
<b>Spartan Motors, Inc.</b>				
Net income (loss) attributable to Spartan Motors, Inc.	\$ (1,098)	-0.7%	\$ 543	0.4%
Add (subtract):				
Restructuring charges	642		339	
Impact of acquisition on timing of chassis revenue recognition	1,112		-	
Impact of step-up in inventory value resulting from acquisition	189		-	
Acquisition related expenses	672		-	
Deferred tax asset valuation allowance	466		(235)	
Tax effect of adjustments	(719)		(125)	
Adjusted net income attributable to Spartan Motors, Inc.	<u>\$ 1,264</u>	0.8%	<u>\$ 522</u>	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	83		93	
Interest expense	264		114	
EBITDA	<u>\$ 1,574</u>	0.9%	<u>\$ 2,536</u>	1.9%
Add (subtract):				
Restructuring charges	642		339	
Impact of acquisition on timing of chassis revenue recognition	1,112		-	
Impact of step-up in inventory value resulting from acquisition	189		-	
Acquisition related expenses	672		-	
Adjusted EBITDA	<u>\$ 4,189</u>	2.5%	<u>\$ 2,875</u>	2.1%
Diluted net earnings (loss) per share	\$ (0.03)		\$ 0.02	
Add (subtract):				
Restructuring charges	0.02		0.01	
Impact of acquisition on timing of chassis revenue recognition	0.03		-	
Impact of step-up in inventory value resulting from acquisition	0.01		-	
Acquisition related expenses	0.02		-	
Deferred tax asset valuation allowance	0.01		(0.01)	
Tax effect of adjustments	(0.02)		-	
Adjusted Diluted net earnings per share	<u>\$ 0.04</u>		<u>\$ 0.02</u>	

**Emergency Response Vehicles Segment (Non-GAAP)**  
(In thousands, unaudited)

	<b>Three Months Ended March 31,</b>			
	<b>2017</b>	% of sales	<b>2016</b>	% 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	<u>\$ (3,037)</u>	-3.8%	<u>\$ (3,458)</u>	-8.4%
Earnings before interest, taxes, depreciation and amortization	\$ (3,037)	-3.8%	\$ (3,458)	-8.4%
Restructuring	399		339	
Impact of acquisition on timing of chassis revenue recognition	1,112		-	
Impact of step-up in inventory value resulting from acquisition	189		-	
Adjusted earnings before interest, taxes, depreciation and amortization	<u>\$ (1,337)</u>	-1.7%	<u>\$ (3,119)</u>	-7.6%

**Fleet Vehicles and Services Segment (Non-GAAP)**  
(In thousands, unaudited)

	<b>Three Months Ended March 31,</b>			
	<b>2017</b>	% of sales	<b>2016</b>	% 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	37		45	
Earnings before interest, taxes, depreciation and amortization	<u>\$ 6,139</u>	11.4%	<u>\$ 6,462</u>	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	<u>\$ 6,244</u>	11.6%	<u>\$ 6,462</u>	10.9%

**Specialty Chassis and Vehicles Segment (Non-GAAP)**  
(In thousands, unaudited)

	<b>Three Months Ended March 31,</b>			
	<b>2017</b>	% of sales	<b>2016</b>	% 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	<u>\$ 1,437</u>	4.4%	<u>\$ 1,595</u>	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	<u>\$ 1,533</u>	4.7%	<u>\$ 1,595</u>	4.8%

**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	<u>23,341</u>	<u>24,591</u>	<u>25,841</u>
Add (subtract):			
Acquisition related expenses	672	672	672
Chassis shipment delay	2,487	2,487	2,487
Adjusted EBITDA	<u>\$ 26,500</u>	<u>\$ 27,750</u>	<u>\$ 29,000</u>
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	<u>\$ 0.36</u>	<u>\$ 0.39</u>	<u>\$ 0.41</u>

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COMMAND  
YOUR ROAD.

# FIRST QUARTER 2017 EARNINGS CONFERENCE CALL

May 4, 2017

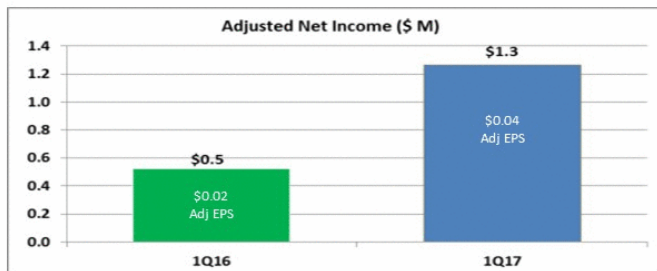
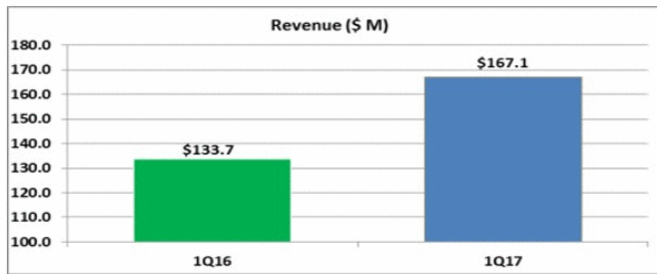
# FORWARD-LOOKING STATEMENTS

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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](http://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.

# FIRST QUARTER 2017– CORPORATE OVERVIEW



See GAAP reconciliation in Appendix

- Sales for 1Q17 rose 24.9% to \$167.1M from \$133.7M
  - Increase driven by \$35.2M in sales from Smeal acquisition, excludes \$5.5M of Spartan inter-company chassis sales
- Adjusted net income improved 142.1% to \$1.3 million, or \$0.04 per share, from \$0.5M, or \$0.02 per share
  - Adjusted net income excludes \$2.6M of acquisition and restructuring related expenses
- Fifth profitable quarter in a row, on an adjusted basis
- Continued operational improvements from implementing the Spartan Production System, lean manufacturing and continuous improvement initiatives
- Significant progress in turnaround efforts in the ER segment

# BUSINESS UPDATE & HIGHLIGHTS



## Smeal Acquisition / Integration Update Closed January 1, 2017

- 1Q17 revenues of \$35.2M, excludes \$5.5M of Spartan inter-company chassis sales
- 2017 revenues expected to be approximately \$105M, net of \$20M of inter-company sales
- Integration efforts running ahead of schedule
- Identified additional synergies
- Increased interest and excitement from our dealer network and customers
- ER remains on track to return to profitability on an adjusted basis in 2017





# BUSINESS UPDATE & HIGHLIGHTS



## 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
  - Shipped 3 S-180 in April, 2017
  - Backlog remains strong with 18 units scheduled to be built through June, 2017



# BUSINESS UPDATE & HIGHLIGHTS



## Launched Fire Apparatus Refurbishment Centers

- Addresses municipality backorder issues and aging fleets
- Cost-effective approach to repair out-of-service at typically half the cost of a new vehicle
- Refurbishment centers located primarily in Midwest, including:
  - MI, IN, PA, WI, NE and SD
- Complete range of services and re-certifications
  - Full cab and chassis replacements
  - New ladders and pump replacements
  - Insurance repair work
  - New chassis replacements
- Improves safety, increases performance allowing municipalities to stay within their budgets



# BUSINESS UPDATE & HIGHLIGHTS



## Launched Partnership with Ranger Design Expanding Van Upfit Options

- Combines Spartan's custom engineering and upfit assembly operation with Ranger's real-world-tested products
  - Van racks, shelves and storage equipment
- Provides work-truck solutions with OEM ship-thru availability
- Partnership expands customer warranty support to over 300 locations in North America
- Spartan Upfit Services serves the utility, telecom, healthcare, construction, food and beverage and parcel-delivery markets



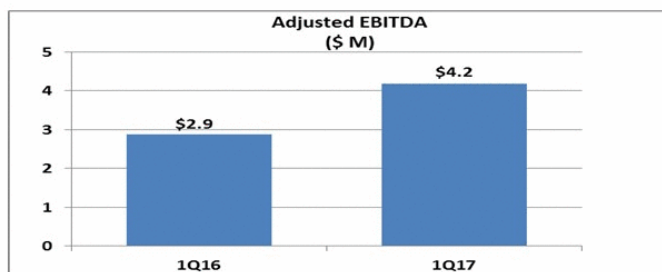
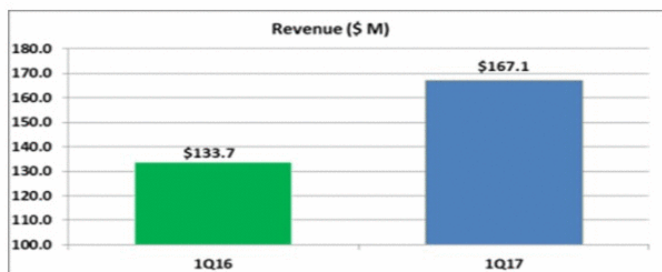


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**FINANCIAL REVIEW  
1<sup>ST</sup> QUARTER 2017**

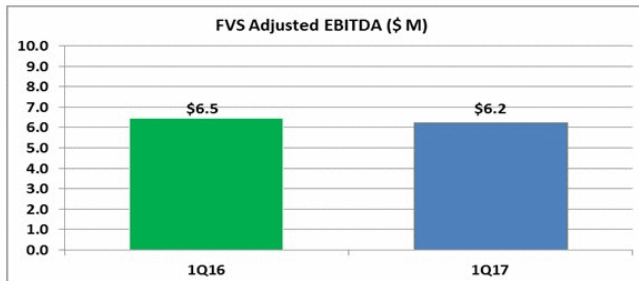
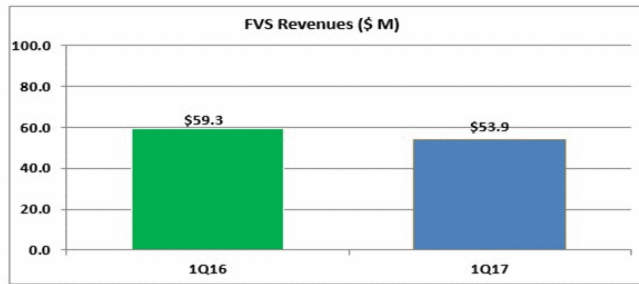
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# 1Q17 VS 1Q16 – SEGMENT OVERVIEW



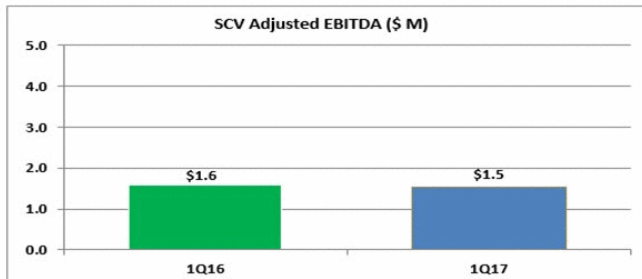
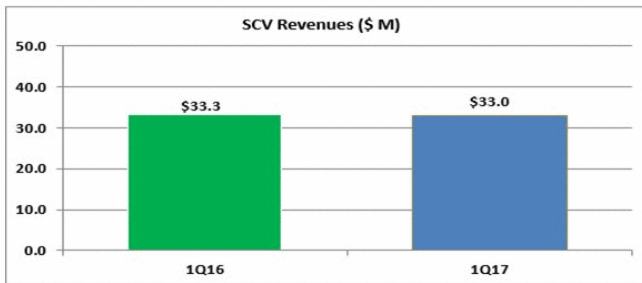
- Revenue for the 1Q17 increased \$33.4M to \$167.1M from \$133.7M
  - Increase primarily driven by \$35.2M in sales from Smeal acquisition
    - Excludes \$5.5M inter-co chassis sales
    - Expect Smeal to contribute \$105M to 2017 revenues
- Adjusted EBITDA increased 45.7% to \$4.2M from \$2.9M
  - 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



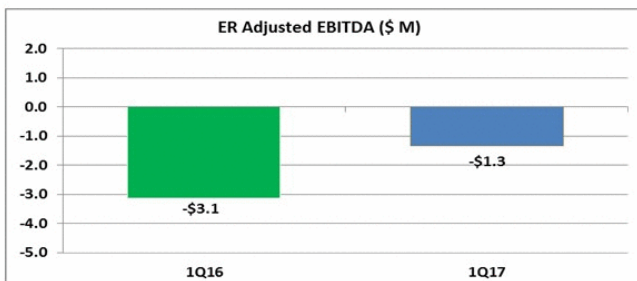
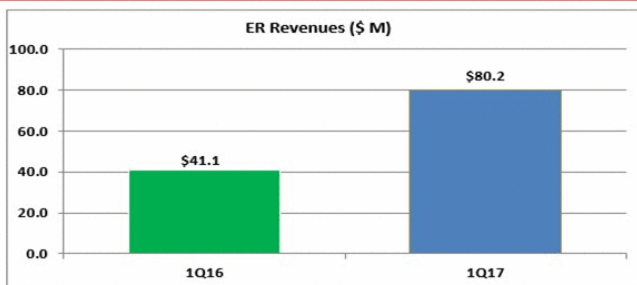
- Revenue down 9.1% to \$53.9M from \$59.3M
  - Lower part and up-fit volumes offset by favorable product mix
- Adjusted EBITDA decreased \$0.3M to \$6.2M from \$6.5M due to lower volumes
- Adjusted EBITDA margin improved 70 basis points to 11.6% of sales from 10.9%
  - Improved labor and manufacturing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

# 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

# EMERGENCY RESPONSE – 1Q17



- Revenue up 95.1% to \$80.2M from \$41.1M
  - Increase due to \$35.2M in sales from Smeal acquisition
  - Offset by fewer shipments of complete fire apparatus and custom cab and chassis
- 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



# BALANCE SHEET – 1Q17



## Spartan Motors Summary Balance Sheet

	Mar 31, 2017 <small>(unaudited)</small>	Dec 31, 2016 <small>(audited)</small>
<b>Assets</b>		
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
<b>Total Assets</b>	<b>\$ 313,809</b>	<b>\$ 243,294</b>
<b>Liabilities &amp; Shareholders' Equity</b>		
Accts Payable	\$ 35,890	\$ 31,336
Long-term Debt	32,860	74
Other Liabilities	93,350	58,932
<b>Total Liabilities</b>	<b>\$ 162,100</b>	<b>\$ 90,342</b>
Shareholders' Equity	151,709	152,952
<b>Total Liabilities &amp; Equity</b>	<b>\$ 313,809</b>	<b>\$ 243,294</b>
<b>Total Liquidity</b>		
Cash	\$ 35,412	\$ 32,041
Net Borrowing Capacity	35,514	71,057
<b>Total Liquidity</b>	<b>\$ 70,926</b>	<b>\$ 103,098</b>

- 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	

See GAAP reconciliation in Appendix

# CLOSING REMARKS

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- 1Q17 operating results marked our 5th profitable quarter in a row, on an adjusted basis
  - Momentum is building as process improvements are beginning to take hold
  - Continued margin expansion will be driven by:
    - Improvements in labor and manufacturing productivity
    - Leveraging increased footprint and scale
    - Expanded industry-leading aerial portfolio
    - Improved product quality leading to reduce warranty expense
- Smeal integration efforts are running ahead of schedule
  - Significant dealer and customer interest in new expanded product portfolio
  - ER, with Smeal acquisition, will return to profitability on an adjusted basis in 2017
- Spartan team energized, confident and determined on improving and growing the business and increasing shareholder value



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# APPENDIX

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# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES



*This presentation contains Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted net income attributable to Spartan Motors, Inc., 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 attributable to Spartan Motors, Inc. 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 (loss) attributable to Spartan Motors, Inc. to Adjusted EBITDA, net income (loss) attributable to Spartan Motors, Inc. to adjusted net income (loss) attributable to Spartan Motors Inc., earnings (loss) per share to adjusted earnings per share, forecasted net income attributable to Spartan Motors, Inc. to Adjusted EBITDA and forecasted earnings (loss) per share to adjusted earnings (loss) 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 March 31,			
	2017	% of sales	2016	% of sales
<b>Spartan Motors, Inc.</b>				
Net income (loss) attributable to Spartan Motors, Inc.	\$ (1,098)	-0.7%	\$ 543	0.4%
Add (subtract):				
Restructuring charges	642		339	
Impact of acquisition on timing of chassis revenue recognition	1,112		-	
Impact of step-up in inventory value resulting from acquisition	189		-	
Acquisition related expenses	672		-	
Deferred tax asset valuation allowance	466		(235)	
Tax effect of adjustments	(719)		(125)	
Adjusted net income attributable to Spartan Motors, Inc.	\$ 1,264	0.8%	\$ 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	83		93	
Interest expense	264		114	
EBITDA	\$ 1,574	0.9%	\$ 2,536	1.9%
Add (subtract):				
Restructuring charges	642		339	
Impact of acquisition on timing of chassis revenue recognition	1,112		-	
Impact of step-up in inventory value resulting from acquisition	189		-	
Acquisition related expenses	672		-	
Adjusted EBITDA	\$ 4,189	2.5%	\$ 2,875	2.1%
Diluted net earnings (loss) per share	\$ (0.03)		\$ 0.02	
Add (subtract):				
Restructuring charges	0.02		0.01	
Impact of acquisition on timing of chassis revenue recognition	0.03		-	
Impact of step-up in inventory value resulting from acquisition	0.01		-	
Acquisition related expenses	0.02		-	
Deferred tax asset valuation allowance	0.01		(0.01)	
Tax effect of adjustments	(0.02)		-	
Adjusted Diluted net earnings 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	\$ (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	999		339	
Impact of acquisition on timing of chassis revenue recognition	1,112		-	
Impact of step-up in inventory value resulting from acquisition	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	37		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)

	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



**FOR MORE INFORMATION:**

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