

# 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 7, 2019

## SPARTAN MOTORS, INC.

(Exact Name of Registrant as Specified in Its Charter)

**Michigan**  
(State or Other Jurisdiction  
of Incorporation)

**001-33582**  
(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.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	SPAR	NASDAQ Global Select Market

**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 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 presentation will be available on the Company’s website at [www.spartanmotors.com](http://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 2019.](#)

**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 7, 2019

/s/ Frederick J. Sohm  
By: Frederick J. Sohm  
Its: Chief Financial Officer and Treasurer

# INVESTOR PRESENTATION

May 2019



# FORWARD LOOKING STATEMENTS

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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](http://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



**\$15M**  
2018 NET INCOME

**\$32M**  
2018 ADJ. EBITDA



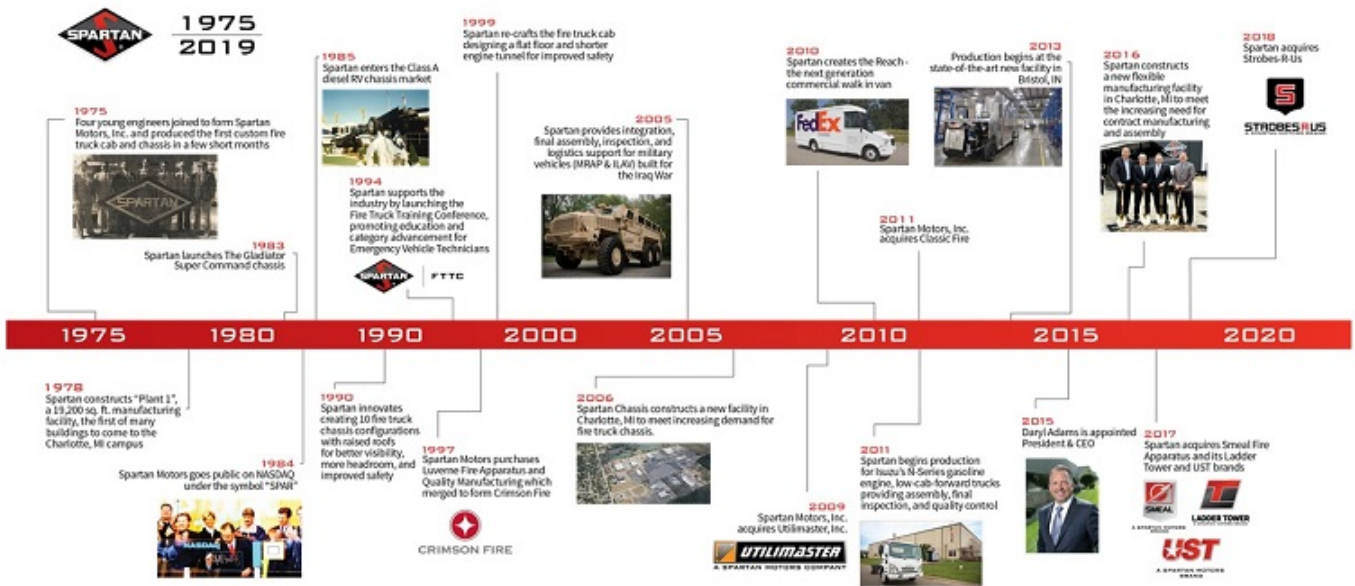
**13 MFG OPERATIONS**

IN 8 STATES & 2  
COUNTRIES

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



# COMPANY TIMELINE



# LEADERSHIP TEAM

## QUICK STATS & DRIVERS

- 145 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



Rick Sohm  
CFO

*Interviewing  
Candidates*

COO



Chad Heminover  
President, Fleet  
Vehicles & Services



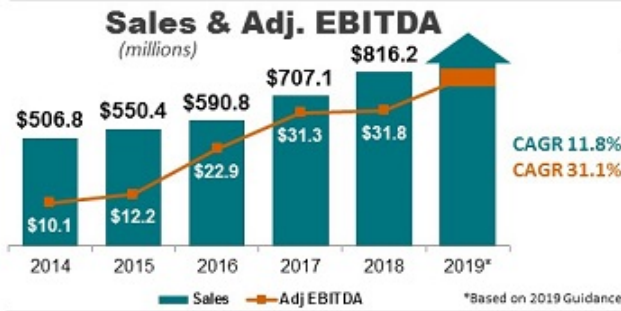
Todd Fierro  
President, Emergency  
Response



Steve Guillaume  
President, Specialty  
Chassis & Vehicles



# SPARTAN MOTORS - BUSINESS SNAPSHOT

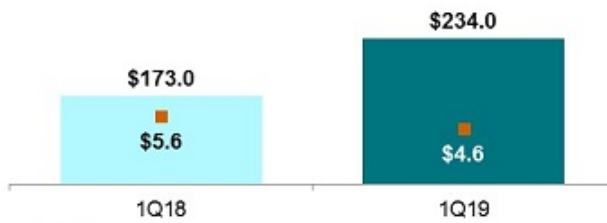


TAM: \$5.6B

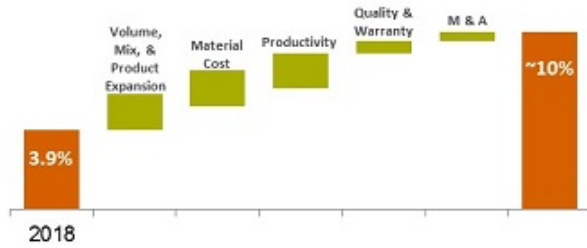


- eCommerce to grow 9x the rate of other retail sales through 2022
- 66% of all fire trucks are ten years or older
- 18% CAGR Class A Diesel >400 HP shipments ('12-'18)

### 1Q19 Sales and Adj. EBITDA (millions)



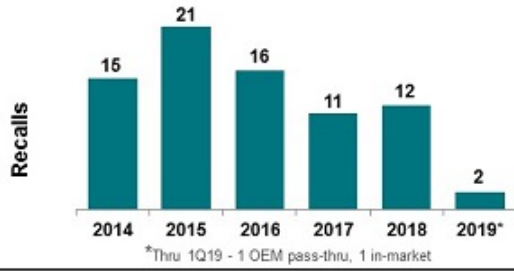
### Financial Objective - Adj. EBITDA %





# MANUFACTURING IMPROVEMENTS – GAINING TRACTION

## Product Recalls



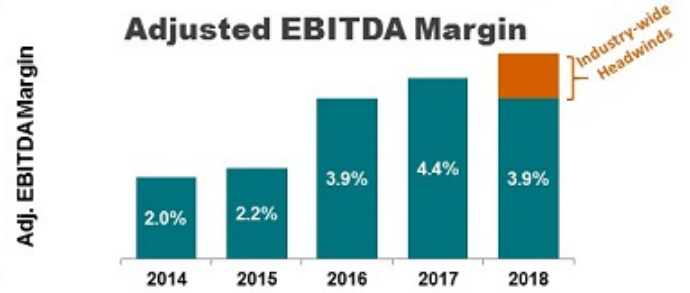
## Backlog



## 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
- Logistics delays
- Labor shortages

2019 Guidance				
( <i>SM except per share</i> )	Low	Mid-point	High	MP% Increase Over 2018
Revenue	\$865.0	\$885.0	\$905.0	8%
Net income	\$19.5	\$21.1	\$22.6	41%
Adjusted EBITDA	\$37.1	\$39.1	\$41.1	23%
EPS	\$0.56	\$0.60	\$0.64	40%
Adjusted EPS	\$0.57	\$0.61	\$0.65	27%

## Operating Focus

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



# FLEET VEHICLES & SERVICES



# 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



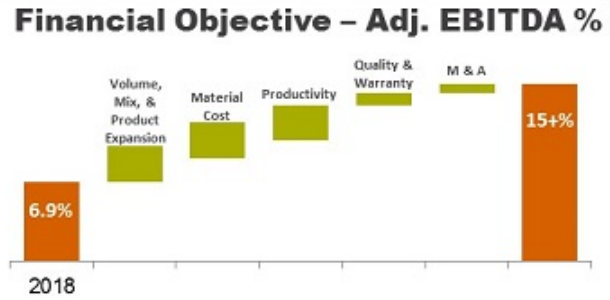
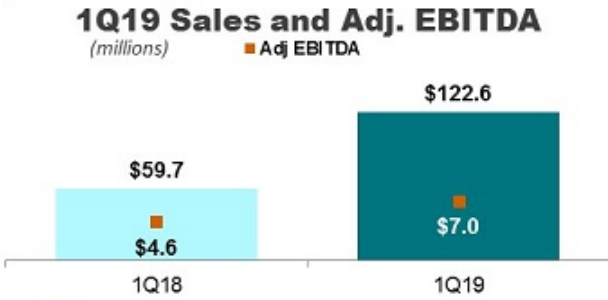
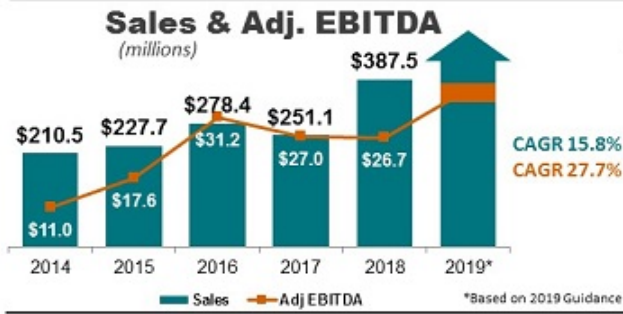
## Leasing Companies



## OEM Dealerships



# FVS – BUSINESS SNAPSHOT





# FVS – MARKET SHARE

TAM: \$2.6 Billion

TAM: \$1.2 Billion



## WALK-IN VANS

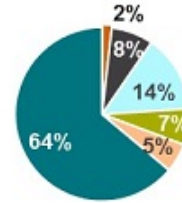
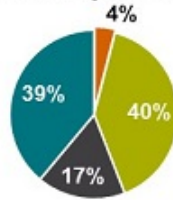
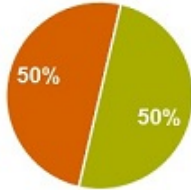
## TRUCK BODIES

## CARGO VAN UPFITS

Walk-in Van Market Share

Truck Body Market Share

Van Up-fit Market Share



■ Spartan/Utilimaster ■ Morgan Olson

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

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

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



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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
  - FVS 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
- Parcel Delivery
- Refrigeration
- Euro van/style
- Upfit
- Last mile delivery - Grocery/Refrigeration



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

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Source: 2017-2018 Specialty Transportation.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.



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# 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 Utilmaster Difference"



# ACQUISITION UPDATE



- Located in Pompano Beach, Florida
- Expands manufacturing footprint into southeastern US market
- Major customers include;
  - Departments of Transportation
  - FBI, Department of Homeland Security
  - Utility and gas companies
  - US Coast Guard, Army Corps of Engineers
  - US Fish & Wildlife
- Expected to be accretive to 2019 earnings



# STRATEGY AT WORK – FVS

- Last Mile Delivery – momentum grows
  - FVS Backlog at 1Q19 up 10% sequentially, excluding USPS order
  - Includes major eCommerce upfit order
- Ephrata, PA facility now receiving truck body orders in addition to fulfilling USPS order
- Introduced temperature controlled grocery delivery truck with climate controlled zones
- EV continues to gain momentum – ability to produce vehicles across GVWR Classes 1 – 6
- Strengthened FVS leadership team
  - Hired a seasoned VP of Operations to drive operational improvements
- Expanded East Coast manufacturing footprint
  - 3 new facilities in place (PA, NC & FL) adding increased capacity



# EMERGENCY RESPONSE





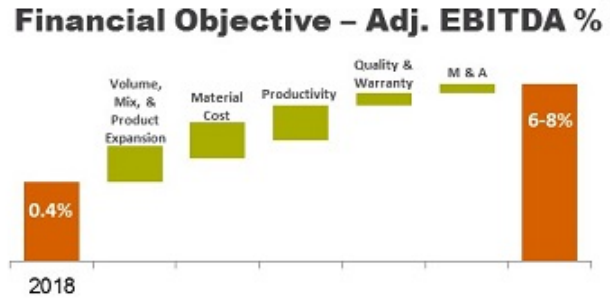
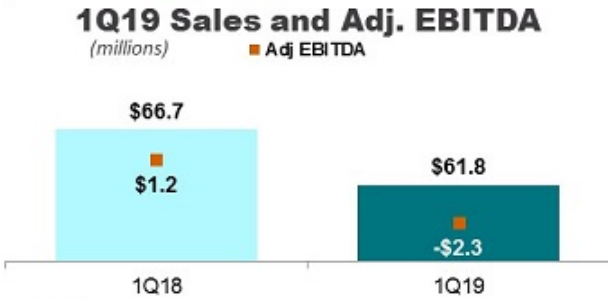
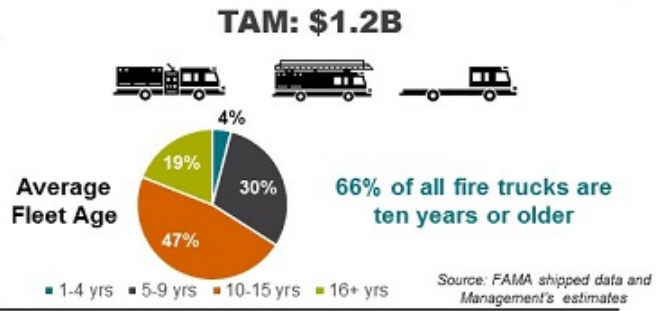
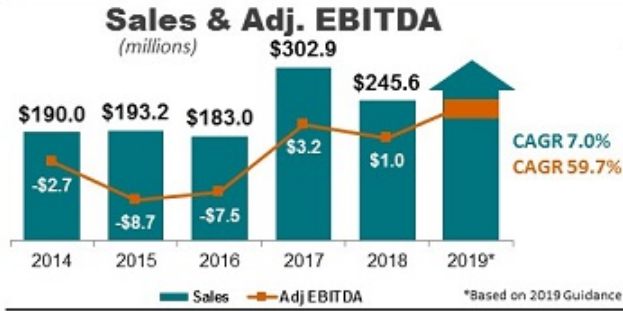
# EMERGENCY RESPONSE (ER)

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

Customers We Serve	Cabs & Chassis	Complete Apparatus
		

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# ER – BUSINESS SNAPSHOT





# 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
  - Squrt Articulating Water Tower
  - Telesqurt 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

- New ER management team in place to drive future growth
  - Todd Fierro – President of ER
  - Realigned sales team and dealer network
- Multiple new orders include:
  - 13-unit fire apparatus order for large municipality in Texas
  - 8-unit fire apparatus order for city of Philadelphia
  - 11-unit fire apparatus order for city of St. Louis
- ER backlog up 13% at 1Q19 vs 1Q18



LADDER TOWER  
A SPARTAN MOTORS BRAND



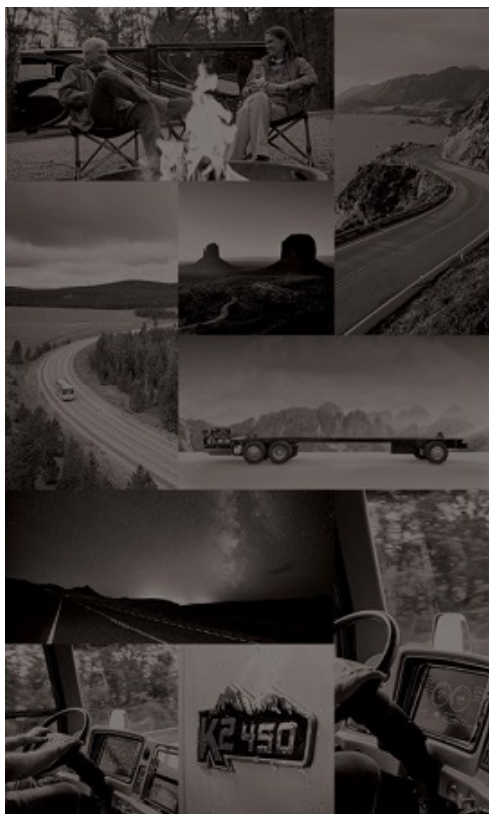
A SPARTAN MOTORS  
BRAND



A SPARTAN MOTORS  
BRAND



# SPECIALTY VEHICLES



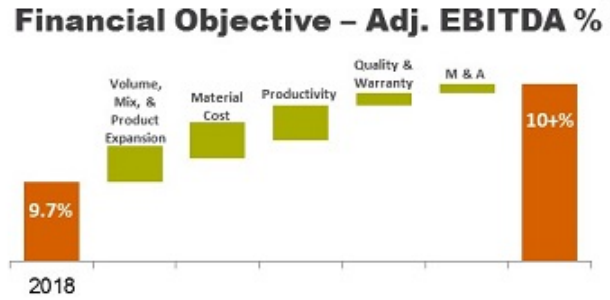
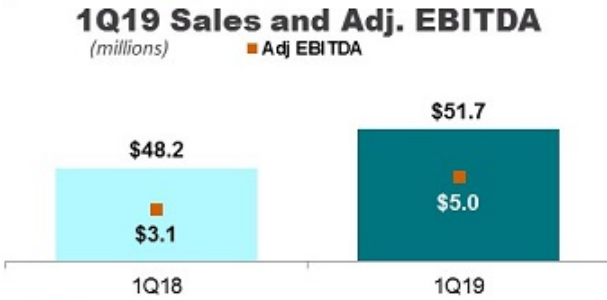
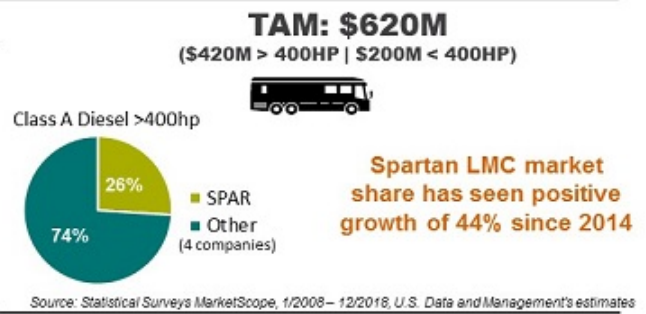
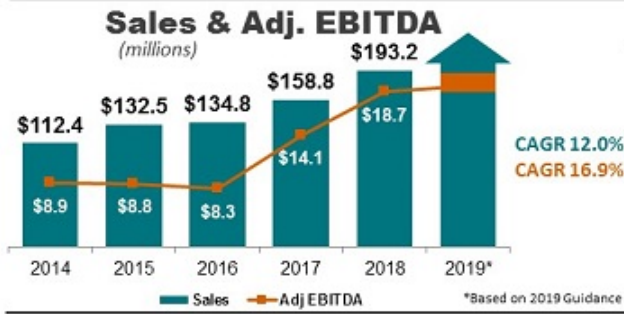
# SPECIALTY CHASSIS & VEHICLES (SCV)

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

LMC Customers We Serve	LMC Chassis	Contract Manufacturing	EV / AV
			



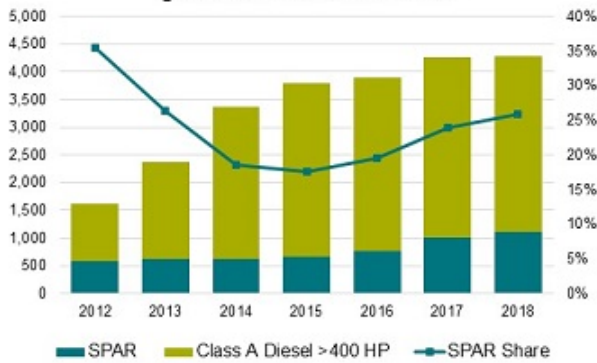
# SCV – BUSINESS SNAPSHOT





# 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

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



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## 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

# SCV – CATEGORY-LEADING INNOVATION



Digital Dash v2.0



Adaptive cruise control



Collision mitigation



Electronic stability control



Lane departure warning



Spartan Safe Haul™ Expansion

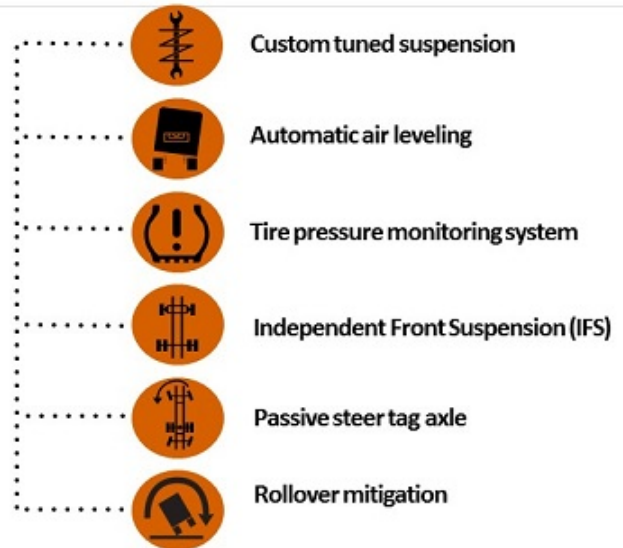


Bluetooth Interface w/  
Connected Care App





# SCV – FIRST-TO-MARKET INNOVATION



# STRATEGY AT WORK – SCV

- Continues to gain share in Class A Diesel luxury motor coach chassis market
  - 26% market share in diesel >400hp segment
- Continued growth of our smaller format K1 360 chassis
  - Jayco Embark (37' and 39')
  - Entegra Coach's Reatta (37' and 39')



**K1 360**



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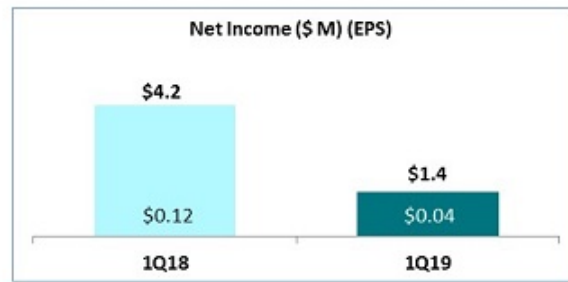
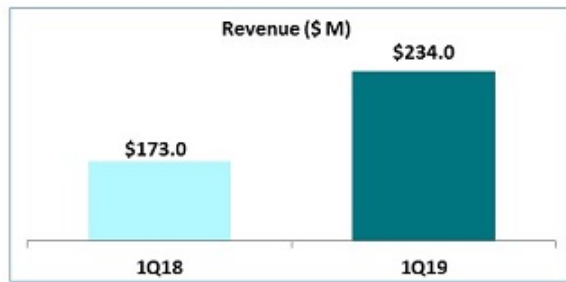
# THE PATH FORWARD



# FINANCIAL REVIEW



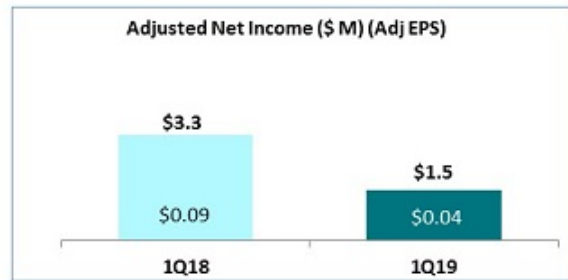
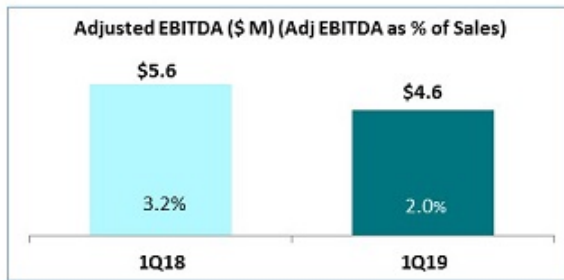
# OVERVIEW – 1Q19 VS. 1Q18



- Revenue for 1Q19 up \$61.0M, or 35.2%, to \$234.0M from \$173.0M
  - FVS up \$62.9M – USPS order and higher truck body, walk-in-van and upfit center volume
  - ER down \$4.9M – unfavorable sales mix
  - SCV up \$3.5M – higher contract manufacturing volume and continued strength of luxury motor coach sales
- Net Income for 1Q19 fell by \$2.8M, or 66.7%, to \$1.4M from \$4.2M
  - Prior year includes \$1.4M compensation tax benefit and a \$1.5M net working capital adjustment related to the Smeal acquisition
- EPS decreased \$0.08, or 66.7%, to \$0.04 from \$0.12 last year.
  - Prior year EPS includes \$0.04 compensation tax benefit and \$0.03 net working capital adjustment



# OVERVIEW – 1Q19 VS. 1Q18

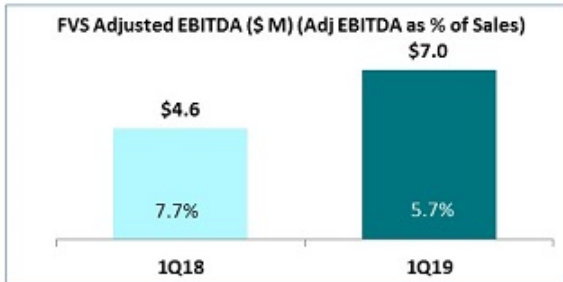
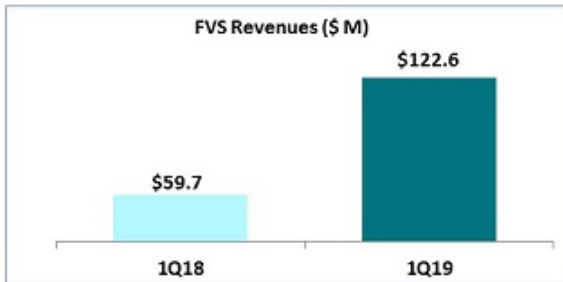


- Adjusted EBITDA fell \$1.0M, or 17.9%, to \$4.6M from \$5.6M
- Adjusted EBITDA margin decreased 120 basis points to 2.0% of sales compared to 3.2% of sales
  - Primarily driven by \$2.3 million in higher input costs resulting from tariff driven increases in commodity costs and components
- Adjusted net income fell 54.5% to \$1.5M from \$3.3M
- Adjusted EPS of \$0.04 versus \$0.09 a year ago
  - Prior-year includes a \$1.4 million, or \$0.04 per share, tax benefit related to the appreciation in value of stock compensation
- Backlog down 22.0% to \$432.3M from \$554.6M a year ago.
  - Excluding the unique USPS truck body order, backlog totaled \$359.2M, up 5.5% compared to \$340.6M in 2018



See GAAP reconciliation in Appendix  
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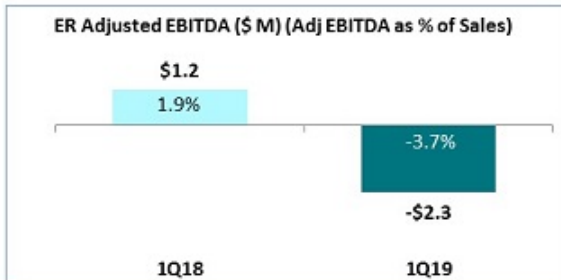
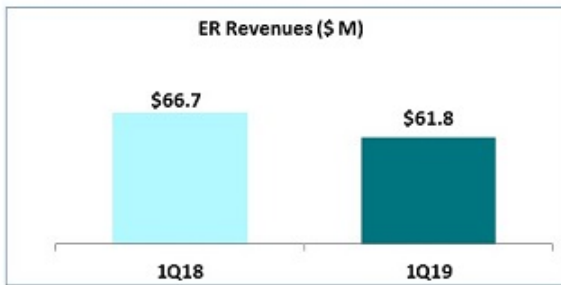
# FLEET VEHICLES & SERVICES – 1Q19



- Revenue up \$62.9M to \$122.6M from \$59.7M
  - Increased volume relating to USPS truck body, other truck body and upfits
- Adjusted EBITDA increased \$2.4M to \$7.0M from \$4.6M primarily from volume, partially offset by unfavorable sales mix and tariff-driven increases in commodity and component costs
- Adjusted EBITDA margin decreased 200 basis points to 5.7% of sales from 7.7%
- Excluding the USPS truck body order, sequential backlog up 9.9%
  - Reported backlog decreased to \$188.5M from \$335.3M a year ago



# EMERGENCY RESPONSE – 1Q19

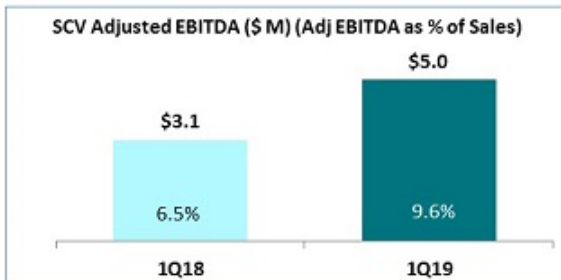
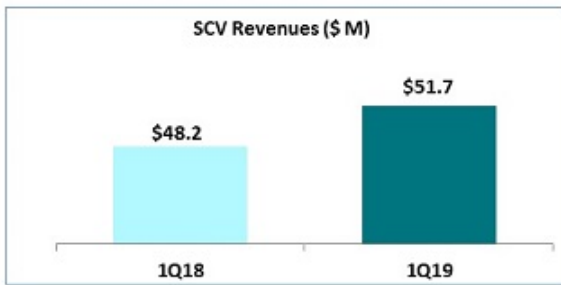


- Revenue down 7.4% to \$61.8M from \$66.7M
  - Reflects industry-wide decline in fire apparatus sales, product mix, dealer realignment, partially offset by pricing changes realized in 2018
- Adjusted EBITDA fell \$3.5M to a loss of \$2.3M compared to \$1.2M last year
  - Driven primarily by product mix, tariff-driven increases in costs, warranty expense, partially offset by pricing changes realized in 2018
- Backlog up 13.2% to \$214.7M compared to \$189.6M a year ago





# SPECIALTY CHASSIS & VEHICLES – 1Q19



- Revenue up \$3.5M, or 7.2%, to \$51.7M from \$48.2M last year
  - Increased volume from contract manufacturing and luxury motor coach chassis
- SCV adjusted EBITDA increased \$1.9M to \$5.0M from \$3.1M
- Adjusted EBITDA margin improved 310 basis points to 9.6% of sales from 6.5% of sales
  - Due to mix and increased volume
- Backlog down 2.0% to \$29.1M compared to \$29.7M a year ago



# BALANCE SHEET – 1Q19

**Spartan Motors, Inc.**  
**Summary Balance Sheet**  
(unaudited)

(\$000's)	Mar 31, 2019	Dec 31, 2018
<b>Assets</b>		
Cash	\$ 21,368	\$ 27,439
Accts Receivable	104,399	106,801
Contract Assets	44,055	36,027
Inventory	84,457	69,992
PP&E	56,175	56,567
Right of Use Assets-Operating Leases	12,930	-
Other Assets	58,675	56,958
<b>Total Assets</b>	<b>\$ 382,059</b>	<b>\$ 353,784</b>
<b>Liabilities &amp; Shareholders' Equity</b>		
Accts Payable	\$ 87,803	\$ 76,399
Long-term Operating Lease Liability	10,517	-
Long-term Debt	26,042	25,547
Other Liabilities	71,046	65,854
<b>Total Liabilities</b>	<b>195,408</b>	<b>167,702</b>
Shareholders' Equity	186,651	186,082
<b>Total Liabilities &amp; Equity</b>	<b>\$ 382,059</b>	<b>\$ 353,784</b>
<b>Total Liquidity</b>		
Cash	\$ 21,368	\$ 27,439
Net Borrowing Capacity	75,602	86,410
<b>Total Liquidity</b>	<b>\$ 96,970</b>	<b>\$ 113,849</b>

- Total liquidity of \$97.0M at 1Q19 reflects:
  - \$21.4M cash on hand
  - \$75.6M of borrowing capacity
- Adequate liquidity/capacity to fund:
  - Working capital requirements
  - Pursue strategic bolt-on acquisitions
  - Share buy-back
    - Purchased 191,000 shares, for \$1.4M, or average share price of \$7.55 since December 21, 2018
- Contract assets of \$44.1M at 1Q19
  - Represents revenue with corresponding profit recognized on products in process, but not yet invoiced to the customer as a result of adopting the new revenue recognition standard



# APPENDIX



# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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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	
	2019	2018
<b>Spartan Motors, Inc.</b>		
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	(28)	31
Adjusted net income attributable to Spartan Motors, Inc.	\$1,543	\$3,261
Net income attributable to Spartan Motors, Inc.	\$1,397	\$4,194
Add (subtract):		
Depreciation and amortization	2,525	2,452
Taxes on income	13	(48)
Interest expense	374	373
EBITDA	\$4,309	\$6,971
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	\$4,632	\$5,653
Diluted net earnings per share	\$0.04	\$0.12
Add (subtract):		
Restructuring charges	0.00	0.00
Joint venture expenses	0.00	-
Acquisition related expenses	0.00	0.00
Litigation costs	0.00	-
Nebraska flooding costs	0.00	-
Purchase accounting impact	-	(0.04)
Deferred tax asset adjustment	(0.00)	0.00
Tax effect of adjustments	(0.00)	0.01
Adjusted diluted net earnings per share	\$0.04	\$0.09



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# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

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

(000s)	Twelve Months Ended December 31,				
	2018	2017	2016	2015	2014
<b>Spartan Motors, Inc.</b>					
Net income attributable to Spartan Motors, Inc.	\$15,011	\$15,932	\$6,610	(\$16,972)	\$1,029
Add (subtract):					
Restructuring charges	1,381	1,222	1,095	2,825	2,157
Asset impairments	-	-	406	2,224	-
Joint venture expenses	-	1	7	308	280
Impact of acquisition on timing of chassis revenue recognition	-	2,073	-	-	-
Acquisition related expenses	1,932	1,443	332	-	-
NETPA settlements	-	-	-	2,680	-
Retail expenses	(46)	(368)	3,427	-	-
Long term strategic planning expenses	992	-	-	-	-
Litigation settlements	447	-	-	-	-
Purchase accounting impact-net working capital	(2,193)	-	-	-	-
Deferred tax asset adjustment	(313)	(3,260)	(2,932)	8,472	-
Tax effect of adjustments	(728)	(2,880)	(880)	(2,880)	-
Adjusted net income attributable to Spartan Motors, Inc.	\$17,966	\$14,837	\$11,067	\$6,774	\$2,477
Net income attributable to Spartan Motors, Inc.	\$15,011	\$15,932	\$6,610	(\$16,972)	\$1,029
Add (subtract):					
Depreciation and amortization	10,370	9,837	7,003	7,837	8,378
Taxes on income	2,361	90	100	4,890	(2,101)
Interest expense	1,890	868	616	388	261
EBITDA	\$28,723	\$26,826	\$17,029	(\$4,290)	\$7,645
Add (subtract):					
Restructuring charges	1,381	1,222	1,095	2,825	2,157
Asset impairments	-	-	406	2,224	-
Joint venture expenses	0	1	7	308	280
Impact of acquisition on timing of chassis revenue recognition	-	2,073	-	-	-
Acquisition related expenses	1,932	1,443	332	-	-
NETPA settlements	-	-	-	2,680	-
Retail expenses	(46)	(368)	3,427	-	-
Long term strategic planning expenses	992	-	-	-	-
Litigation settlements	447	-	-	-	-
Purchase accounting impact-net working capital	(2,193)	-	-	-	-
Adjusted EBITDA	\$41,722	\$41,121	\$22,476	\$22,297	\$14,891
Diluted net earnings per share	\$0.43	\$0.46	\$0.23	(\$0.30)	\$0.09
Add (subtract):					
Restructuring charges	0.02	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	-	-
NETPA settlements	-	-	-	0.07	-
Retail expenses	-	(0.01)	0.10	0.22	-
Long term strategic planning expenses	0.03	-	-	-	-
Litigation settlements	0.01	-	-	-	-
Purchase accounting impact-net working capital	(0.04)	-	-	-	-
Deferred tax asset valuation allowance	(0.01)	(0.08)	(0.09)	0.28	-
Tax effect of adjustments	(0.02)	(0.07)	(0.01)	(0.07)	-
Adjusted diluted net earnings per share	\$0.48	\$0.43	\$0.32	\$0.20	\$0.10



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# 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	\$ 19,539	\$ 21,085	\$ 22,630
Add:			
Depreciation and amortization	10,405	10,405	10,405
Interest expense	1,281	1,281	1,281
Taxes	5,649	6,096	6,542
EBITDA	\$ 36,874	\$ 38,867	\$ 40,858
Add (subtract):			
Restructuring and other charges, net	200	200	200
Adjusted EBITDA	\$ 37,074	\$ 39,067	\$ 41,058
Earnings per share	\$ 0.56	\$ 0.60	\$ 0.64
Add:			
Restructuring and other charges, net	0.01	0.01	0.01
Less tax effect of adjustments	-	-	-
Adjusted earnings per share	\$ 0.57	\$ 0.61	\$ 0.65



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