

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): March 12, 2018

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.

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.

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 March 12, 2018.](#)

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: March 12, 2018

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



COMMAND
YOUR ROAD.

INVESTOR PRESENTATION

March 2018

FORWARD LOOKING STATEMENTS

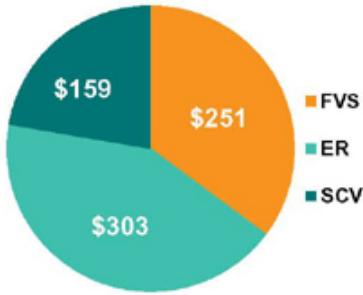


This presentation contains some forward-looking statements that are not historical facts, including statements concerning our business, financial strength, future plans, objectives, and the performance of our products. These statements can be identified by words such as "believe", "expect", "forecast", "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, 2017, 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 AT A GLANCE



SEGMENT OVERVIEW (\$M)



\$707M
IN 2017 SALES



\$31M
2017 ADJ. EBITDA



26 OPERATIONS

WITH FACILITIES IN 7
STATES & 3 COUNTRIES

Global leader in the design, engineering, manufacture, and service of purpose built specialty vehicles and chassis.



COMPANY TIMELINE



1975
2018

1975
Four young engineers joined to form Spartan Motors, Inc. and produced the first custom fire truck cab and chassis in a few short months.



1983
Spartan launches The Gladiator Super Command chassis.

1985
Spartan enters the Class A & small RV chassis market.



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



1999
Spartan re-enters the fire truck cab designing a flat floor and other ergonomic features for improved safety.



2005
Spartan provides strategic final assembly, inspection and logistics support for military vehicles (MRV & LAV) built for the Iraq War.



2010
Spartan enters the Reach—the most generation commercial truck market.



2013
Production begins at the state-of-the-art new facility in South LIN.

2016
Spartan constructs a new facility manufacturing facility in Charlotte, MI to meet the increasing demand for commercial manufacturing and assembly.



2011
Spartan Motors, Inc. acquires Classic Fire.

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



1984
Spartan Motors goes public on NASDAQ under the symbol "SPNF".

1990
Spartan innovates creating 10 fire truck chassis configurations with raised roofs for better visibility, more headroom, and improved safety.



1997
Spartan Motors purchases Luceum Fire Apparatus and Quality Manufacturing which merged to form Corusion Fire.



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



2009
Spartan Motors, Inc. acquires URMaster, Inc.



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



2015
Daryl Adams is appointed President & CEO.



2017
Spartan acquires Smart-Tek equipment and its Ladder Tower and UST brands.

LEADERSHIP TEAM



"...I have never before been involved with a company that has so rapidly transformed itself under new leadership to create such a bright future for itself."

Hugh Sloan, Retired Chairman of the Board

QUICK STATS & DRIVERS

- 161 years of combined executive leadership
- Lean manufacturing ethos
- Culture of accountability and proactivity
- Mantra of "no surprises"

SHARED SKILL SETS

- Big-company DNA
- Blended automotive and non-automotive experience
- Successful M&A activity
- Progressive experience



Daryl Adams
President & CEO



Rick Sohm
CFO



Tom Schultz
CAO



Tom Ninneman
President, Fleet
Vehicles and Services



John Slawson
President, Emergency
Response



Steve Guillaume
President, Specialty
Vehicles

FINANCIAL HIGHLIGHTS AND OUTLOOK



2017 Highlights

- Revenue up 20% to \$707.1M
- Adjusted EBITDA up 37% to \$31.3M
- Adjusted EPS up 34% to \$0.43 from \$0.32
- Backlog up 115% to \$535.1M from 4Q16
- ER segment was profitable – achieving \$3.2M of adjusted EBITDA

2018 Guidance

	Low	Mid-point	High	MP % Increase Over 2017
<i>(\$M except per share)</i>				
Revenue	\$790.0	\$802.5	\$815.0	13%
Net income	\$18.8	\$19.9	\$21.0	25%
Adjusted EBITDA	\$39.0	\$40.5	\$42.0	29%
EPS	\$0.54	\$0.57	\$0.60	24%
Adjusted EPS	\$0.56	\$0.59	\$0.62	37%

Completed turnaround in 2017 – now focused on growth strategy

MANUFACTURING IMPROVEMENTS – GAINING TRACTION



In 2017, we...

- Created network for standards and support
- Defined organization structure to support accountability
- Conducted extensive KPI deployment
- Established organizational priorities
 - SPS acceleration
 - Cost improvement
 - Focal point KPI's by facility
 - People development

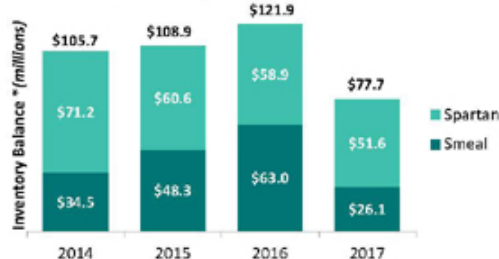
SPS – Key KPI Initiatives

KPI	2017 vs. 2016
First Pass Yield	10 pt Improvement
On Time Delivery	4 pt Improvement
Direct Labor Efficiency	3 pt Improvement
Cost of Poor Quality	\$4.2M Improvement

Product Recalls



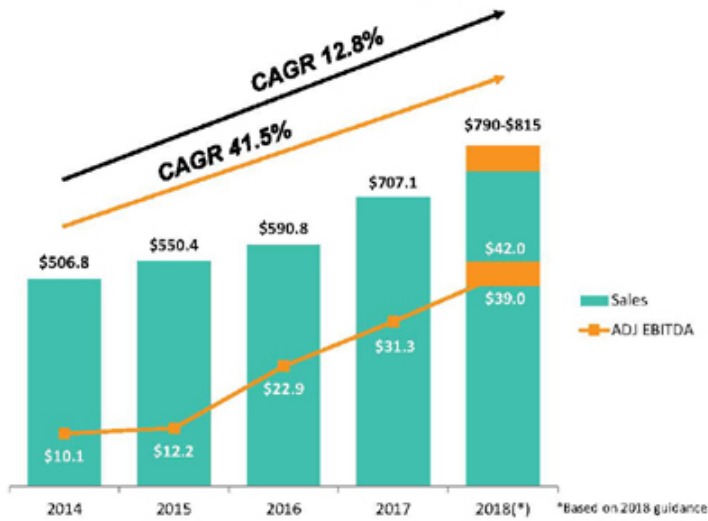
Inventory Reduction



POSITIONED FOR SUSTAINABLE GROWTH

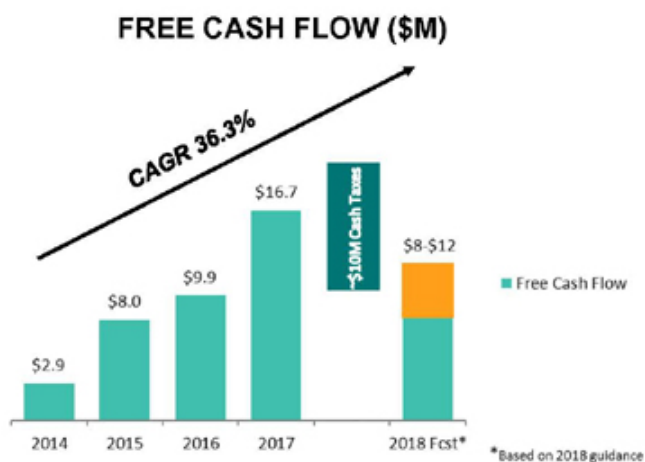


SPARTAN MOTORS (\$M)



- **\$5.2 billion total addressable market across business segments**
 - Margin expansion expected across all business segments
- **Engaged management team – unique industry experience to drive sustainable growth**
- **Cash and liquidity position allow for additional strategic M&A opportunities**
- **Targeting \$1B in sales and ~10% Adjusted EBITDA margin**

SPAR – FREE CASH FLOW



- **Generating significant cash**
- **Low capital intensive business**
 - 2018 CAPEX – \$10M-\$15M
 - 2017 CAPEX – \$5.3M
 - 2016 CAPEX – \$13.4M
 - includes \$6.4M for new plant
 - 2015 CAPEX – \$4.9M
 - 2014 CAPEX – \$3.5M
- **Spartan will pay taxes in 2018**
 - Expect to pay \$10M in cash taxes in 2018
 - Paid "zero" net taxes in 2017
 - Effective 2018 tax rate is ~28%
- **Paid \$5M on revolver Dec. 2017**
 - Total of \$15M paid in 2017
 - Current long-term debt \$17.9M
- **Unleveraged balance sheet**
 - 0.11 Debt/Equity ratio (Dec 31st, 2017)

BUSINESS UPDATE & HIGHLIGHTS



- FVS

- USPS truck body contract
 - \$214M two-year contract for >2,000 vehicles
 - Production to begin 2Q18
- Expanding truck body manufacturing footprint in Ephrata, PA
 - NY & PA represent 15% of the truck body market
- Expanding our refrigeration capabilities
- Investing in alternative propulsion technologies



- ER

- Smeal integration complete - One ER going forward
 - Refreshed dealer network with superior aerial and pumper

- SCV

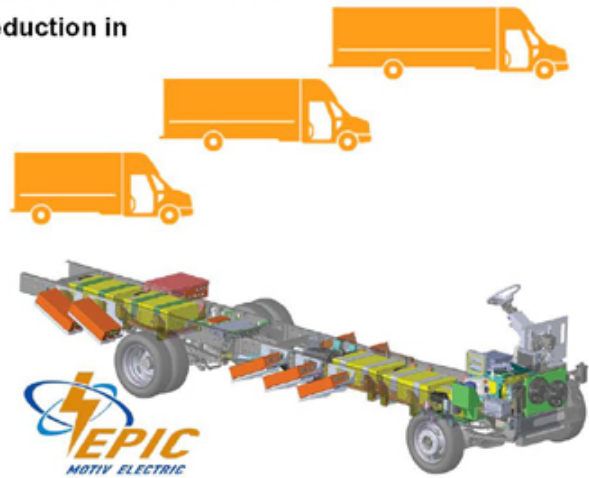
- Continues to gain Class A Motorhome share
 - Motorhome backlog up 77% to \$33.2M from year ago
- Launched new 37ft chassis with Jayco – new demographic

ALL-ELECTRIC, ZERO-EMISSIONS CAPABILITIES – GVWR CLASSES 4-6



Spartan + Motiv Power Systems

- Exclusive three (3) year Supply Agreement for Motiv's all-electric EPIC™ Chassis
- Up to 85% reduction in operating costs and 66% reduction in maintenance costs
- Durable, proven technology
 - 100-150 mile range on a full charge
 - Up to 30% gradeability
 - 60 mph top speed
 - Acceleration and hill climbing is comparable to existing diesel powered vehicles
 - Quick charging
 - 2.5 hours to 50% charge
 - 4 hours to 75% charge
 - 8 hours to 100% charge





**FLEET VEHICLES AND
SERVICES (FVS)**

FLEET VEHICLES & SERVICES (FVS)



A leader in the fleet vehicle market, including truck bodies, walk-in-vans, highly customized global fleets, and vocation-specific upfits

Customers We Serve	Walk-in Vans	Truck Bodies	Cargo Van Upfits

FVS AND SCV LAST MILE DELIVERY



FVS and SCV Vehicle Mix

Assembly - Isuzu F-Series



FVS – MARKET SHARE



TAM: \$2.2 Billion

TAM: \$1.2 Billion



WALK- IN VANS

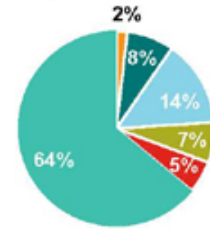
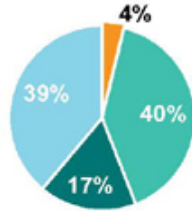
TRUCK BODIES

CARGO VAN UPFITS

Walk-in Van Market Share

Truck Body Market Share

Van Up-fit Market Share



Utilimaster Morgan Olson

Utilimaster Morgan Corp Supreme Others

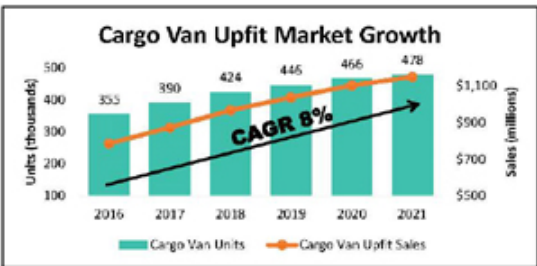
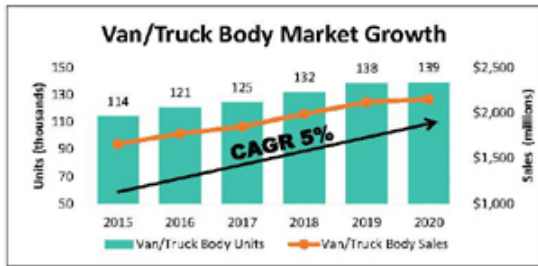
Utilimaster MasterRack
Adrian Steel Ranger Design
Weather Guard Regional Upfitters

Utilimaster #3 in Van/Truck Body Market

FVS – VAN/TRUCK BODY & CARGO VAN UPFIT OUTLOOK



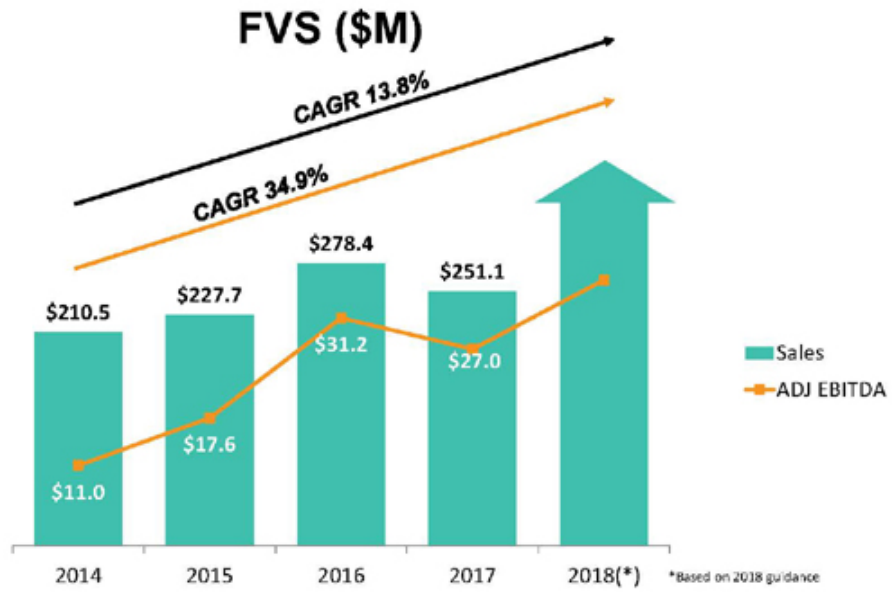
2020 / 2021 Total Addressable Market \$3.4 Billion



- FVS participates in the 3 largest product segments driven by fleet customers
 - Walk-in/style
 - Parcel Delivery
 - Dry Freight
- Supports growth strategy in Last Mile Delivery vehicles
- FVS 4Q17 Backlog up 198.9% to \$267.7M compared to \$89.5M at 4Q16
 - Includes \$214M USPS order

- FVS is well positioned to take advantage of the expanding cargo van segment
 - Ship-Thru programs in Saltillo, MX (Dodge Promaster) and Kansas City (Ford Transit)
- Growth driven by proven improvement efficiencies
 - Use of lighter weight material
 - Ergonomic equipment
 - Safety systems (rear view camera)
 - Quick turnaround time

FVS SALES & ADJUSTED EBITDA





EMERGENCY RESPONSE (ER)

EMERGENCY RESPONSE (ER)



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

Customers We Serve



Cabs & Chassis



Complete Apparatus



ER – MARKET SHARE



\$1.2 Billion Total Addressable Market



Pumpers

Pumper Market Share

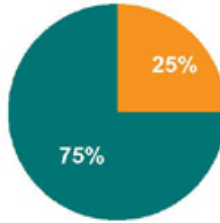


■ Spartan/Smeal ■ Pierce, REV, Rosenbauer, Other



Aerials

Aerial Market Share

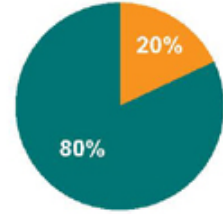


■ Spartan/Smeal ■ Pierce, REV, Rosenbauer, Other



Fire Truck Cabs and Chassis

Chassis Market Share



■ Spartan/Smeal ■ Pierce, REV, Rosenbauer, Other

ER – RECENT BUSINESS WINS

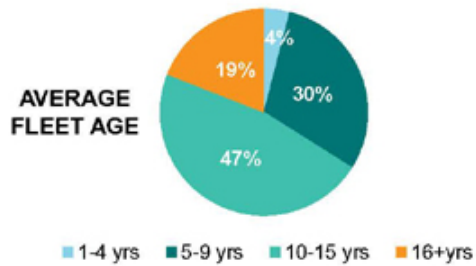


Recent Business Wins

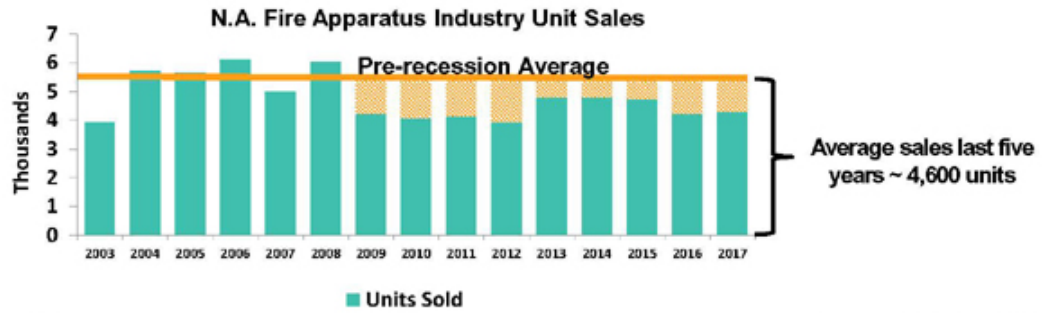
- Las Vegas – 4 pumpers
- Charlotte, NC – 2 aerials, 3 pumpers
- York, PA – 1 aerial, 4 pumpers
- Philadelphia – 4 pumper follow-on order (11 in total)
- Vaughan, ONT – 5 pumpers
- Langley, BC – 5 pumpers



ER – MARKET OUTLOOK



- 66% of all fire trucks are ten years or older
- Past five years averaging ~4,600 units per year

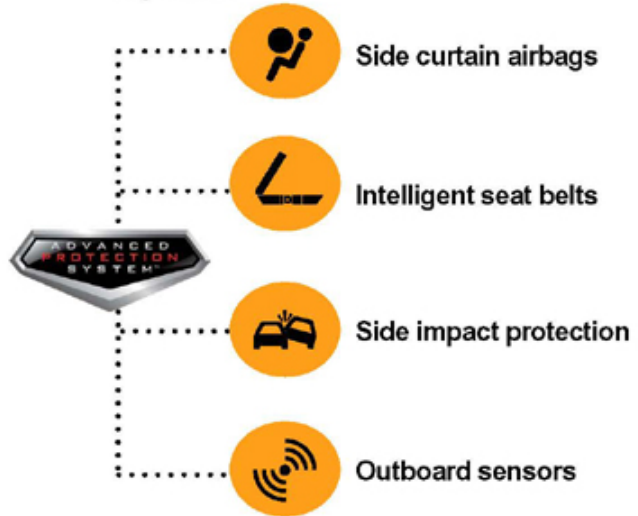




Spartan Independent Front Suspension (IFS)

- Outperforms category leader
- Product performance
- Value equation

Spartan Advanced Protection System®



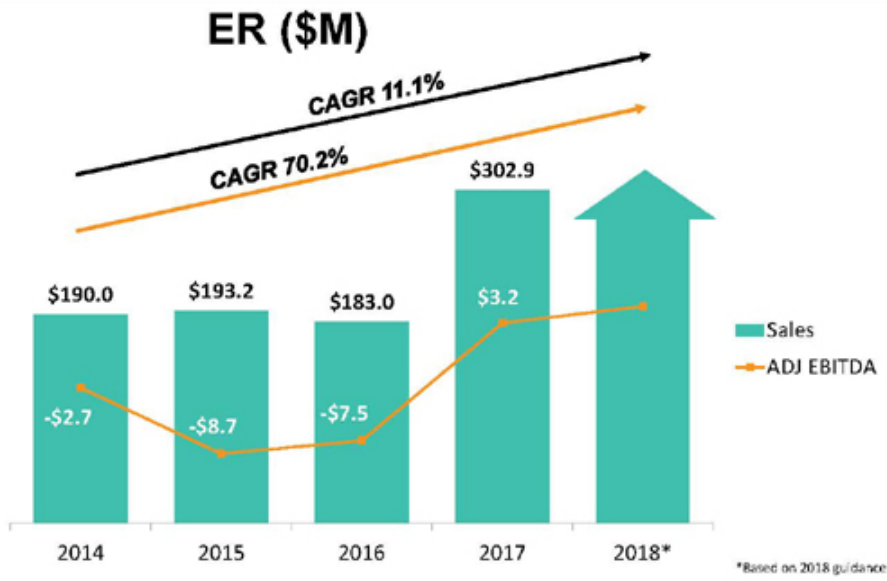


S-180 LINE OF PUMPERS

- Began as a program, the market quickly responded to SPAR's abbreviated order-to-deliver cycles and immediately recognized this was no ordinary stock truck
- Custom pumpers
 - Today in 11 models
- Order to delivery in less than half the time of any competitor
 - Industry average delivery – 330 days
 - Addressable market 30% - 40%
- Significant dealer interest – including newly acquired Smeal dealer network
- Well received – momentum building
 - Shipped 51 units in 2017



ER SALES & ADJUSTED EBITDA





**SPECIALTY CHASSIS &
VEHICLES (SCV)**

SPECIALTY CHASSIS AND VEHICLES (SCV)



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

Customers We Serve	RV Chassis	Contract Manufacturing	Defense and Specialty

RV CHASSIS – CLASS A DIESEL MARKET SHARE AND OUTLOOK



Spartan market share has seen positive growth of 30% since 2014



**Total Addressable Market
\$620 Million**

(Spartan makes chassis for Class A Diesel > 400 HP - 24% share)

Source: Statistical Surveys MarketScope, 1/2008 – 12/2017, U.S. Data and Management's estimates

MOTORHOME SEGMENT

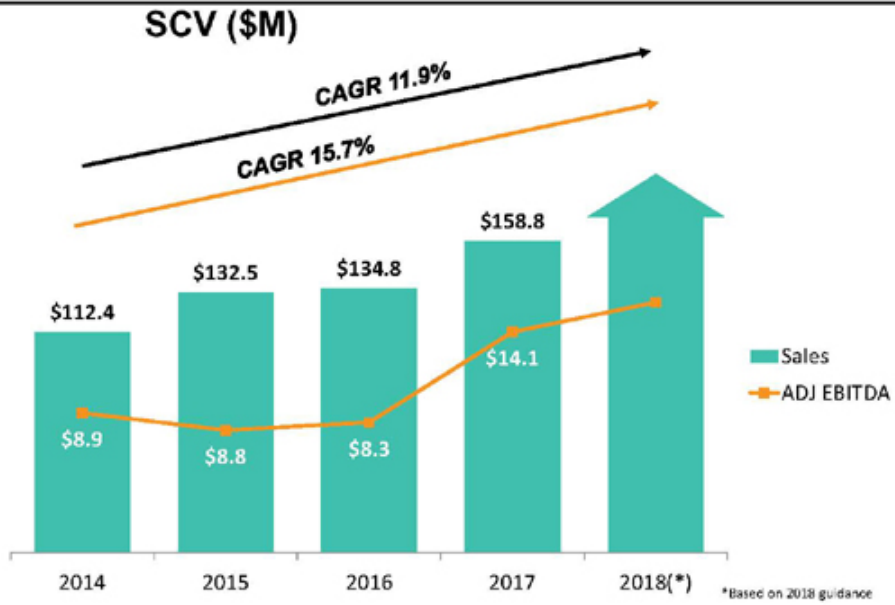
- Favorable industry trends should support continued momentum, including:
 - Population and demographic trends
 - "Active/outdoor lifestyle" continues to grow
 - RV manufacturers are broadening offerings
 - 400HP diesel growing as % of diesel
- SCV increasing market share with Entegra, Newmar and Foretravel manufacturers
- Jayco – new for 2018
 - K1-360 chassis <400HP
 - \$200M addressable market

SCV – CATEGORY LEADING INNOVATION



- Gen II Digital Dash
- Adjustable Adaptive Cruise Control
- Lane Keep Technology
- Lane Departure Warning
- Spartan Safe Haul™ Expansion
- Bluetooth Interface w/ Connected Care App

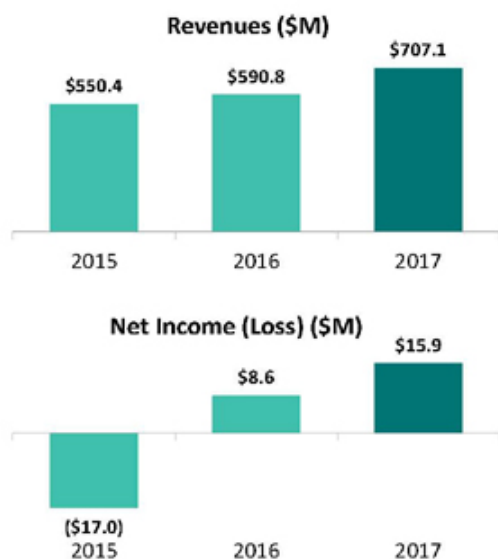
SCV SALES & ADJUSTED EBITDA





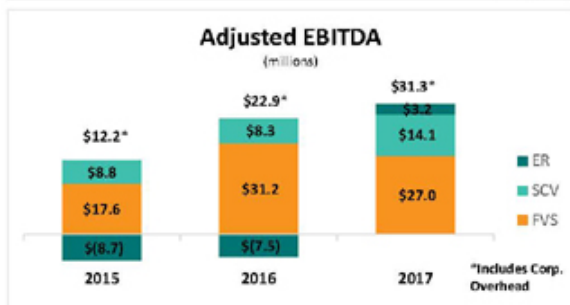
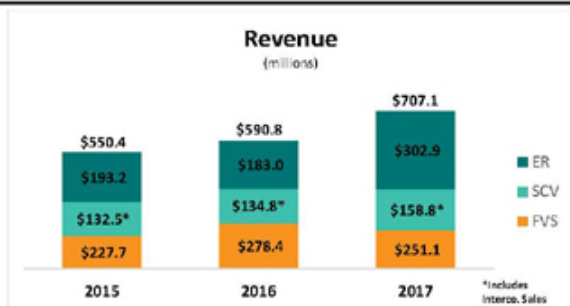
FINANCIAL REVIEW

FULL YEAR 2017 – CORPORATE OVERVIEW



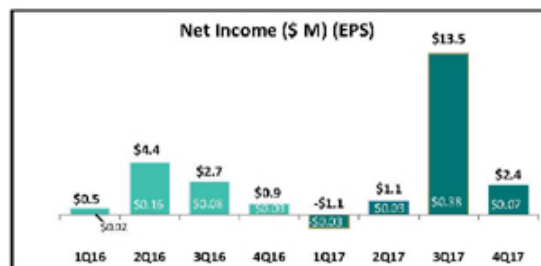
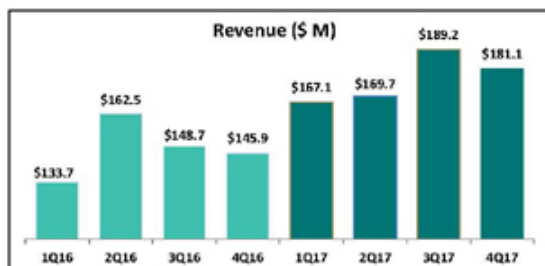
- Sales for 2017 rose 19.7% to \$707.1M from \$590.8M
- 2017 net income improved \$7.3M to \$15.9M, or \$0.46 per share, from \$8.6M, or \$0.25 per share
- Strongest profitable full year since 2009
- Significant progress in our multi-year turnaround effort – led by:
 - Operational improvements
 - Talent upgrades
- Gross profit margin grew 30 bps to 12.6%
- Adjusted EBITDA improved 37% to \$31.3M from \$22.9M

FULL YEAR 2017 – SEGMENT OVERVIEW



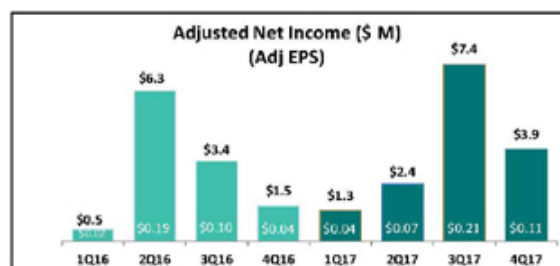
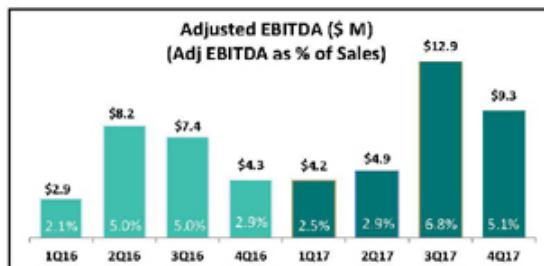
- FVS posted a 9.8% decrease in revenue to \$251.1M from \$278.4M, reflecting a large upfit order which did not reoccur
- FVS Adjusted EBITDA decreased 13.7% to \$27.0M, primarily due to the nonrecurring order
- ER revenues improved 65.5% to \$302.9M, from \$183M, reflecting increased product optimization following the Smeal integration
- ER Adjusted EBITDA improved to \$3.2M from (\$7.5M), reflecting increased sales, improved operational performance, and warranty cost reduction
- SCV revenues rose to \$158.8M, due to increased motorhome shipments as a result of market share gains
- SCV Adjusted EBITDA grew 68.9% to \$14.1M, due to increased sales and improved operational performance

OVERVIEW – 4Q17 VS. 4Q16



- Revenue for 4Q17 up \$35.2M, or 24.1%, to \$181.1M from \$145.9M
 - FVS down \$2.3M – nonrecurring last mile delivery upfit order
 - ER up \$28.6M – Smeal contributed \$22.4 million
 - SCV up \$8.2M – strength of motorhome sales
- Net Income for 4Q17 rose \$1.5M, or 158.9%, to \$2.4M from \$0.9M
- EPS increased \$0.04, or 133%, to \$0.07 from \$0.03
- Gross profit margin improved 130 bps to 13.6% of sales from 12.3% of sales
 - Reflects higher motor home volume, ER pricing and operational improvements across all business segments

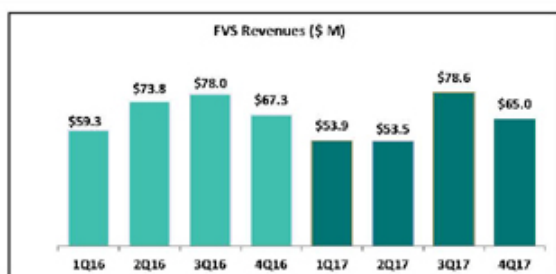
OVERVIEW – 4Q17 VS. 4Q16



- Adjusted EBITDA rose \$5.0M, or 118.3%, to \$9.3M from \$4.3M
- Adjusted EBITDA margin improved 220 basis points to 5.1% of sales compared to 2.9% of sales
 - Strong performances from all three business segments
- Adjusted net income up 156.4% to \$3.9M from \$1.5M
- Adjusted EPS of \$0.11 versus \$0.04 a year ago

See GAAP reconciliation in Appendix

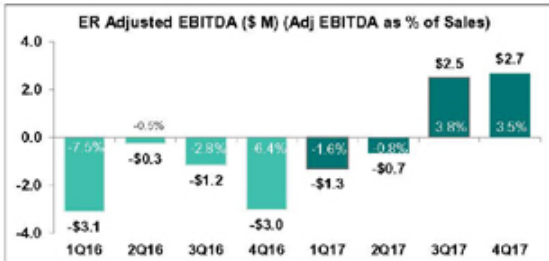
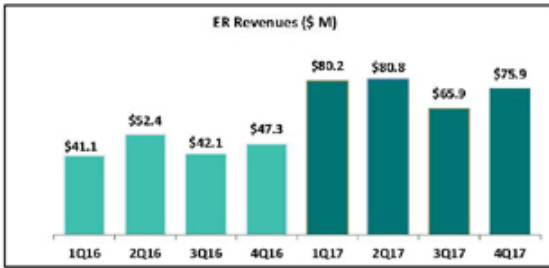
FLEET VEHICLES & SERVICES – 4Q17



- Revenue down \$2.3M to \$65.0M from \$67.3M
 - Reflects increased truck body and walk-in van sales offset by nonrecurring last mile delivery upfit order
- Adjusted EBITDA decreased \$1.9M to \$5.8M from \$7.7M primarily due to product mix
- Adjusted EBITDA margin decreased 250 basis points to 8.9% of sales from 11.4%
 - Nonrecurring last mile delivery upfit order
 - Partially offset by cost reductions and improved labor and manufacturing productivity
- Backlog up 198.9% to \$267.7M compared to \$89.5M a year ago
 - Includes \$214M USPS order

See GAAP reconciliation in Appendix

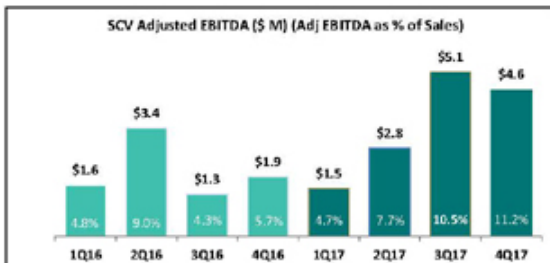
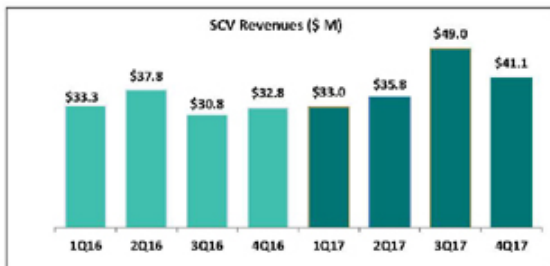
EMERGENCY RESPONSE – 4Q17



See GAAP reconciliation in Appendix

- Revenue up 60.4% to \$75.9M from \$47.3M
 - Smeal contributed \$22.4M of the increase
 - Increased product optimization from successful integration
- Adjusted EBITDA improved \$5.7M to \$2.7M compared to a loss of \$3.0M
- Adjusted EBITDA margin improved 990 basis points to 3.5% of sales
 - Reflects improved pricing, product quality, warranty costs, material efficiencies, improved vehicle mix and increased labor and manufacturing productivity
 - Offset by increased health care costs
- Backlog up 67.0% to \$233.6M compared to \$139.9M a year ago
 - Includes \$84.4M Smeal backlog
 - Excluding Smeal, backlog up 6.6%, or \$9.3M, compared to a year ago

SPECIALTY CHASSIS & VEHICLES – 4Q17



See GAAP reconciliation in Appendix

- Revenue up \$8.3M, or 25.0%, to \$41.1M from \$32.8M
 - Motorhome sales up \$8.6M, or 34.6% to \$33.3M from \$24.7M
- SCV adjusted EBITDA increased \$2.7M to \$4.6M from \$1.9M
- Adjusted EBITDA margin improved 550 basis points to 11.2% of sales from 5.7% of sales
 - Reflects increased sales volume and improved operational performance
- Backlog up 68.7% to \$33.8M compared to \$20.0M a year ago
 - Motorhome backlog up 77% compared to a year ago

BALANCE SHEET – 4Q17

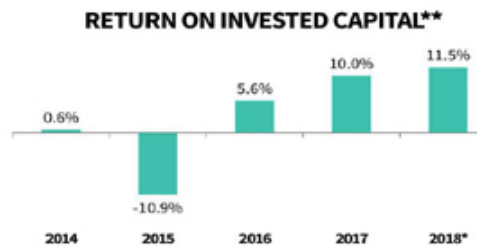
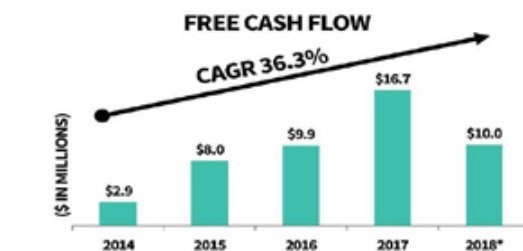
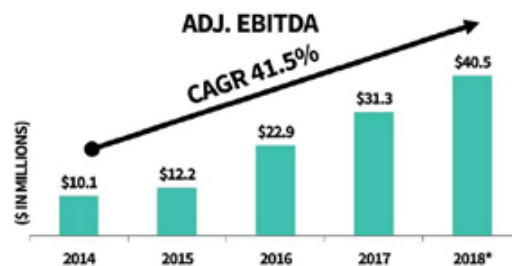
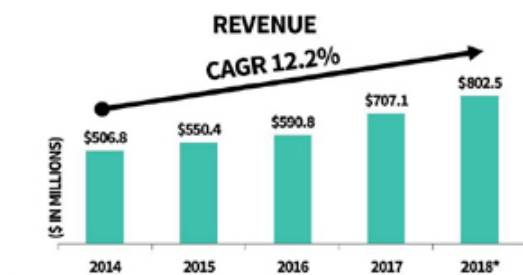


Spartan Motors
Summary Balance Sheet
(Unaudited)
(\$000's)

	Dec 31, 2017	Dec 31, 2016
Assets		
Cash	\$ 33,523	\$ 32,041
Accts Receivable	83,147	65,441
Inventory	77,692	58,896
PP&E	55,177	53,116
Other Assets	51,625	33,800
Total Assets	\$ 301,164	\$ 243,294
Liabilities & Shareholders' Equity		
Accts Payable	\$ 40,643	\$ 31,336
Long-term Debt	17,925	74
Other Liabilities	74,327	58,932
Total Liabilities	\$ 132,895	\$ 90,342
Shareholders' Equity	168,269	152,952
Total Liabilities & Equity	\$ 301,164	\$ 243,294
Total Liquidity		
Cash	\$ 33,523	\$ 32,041
Net Borrowing Capacity	66,396	71,057
Total Liquidity	\$ 99,919	\$ 103,098

- Paid \$5M on revolver Dec. 2017
 - Total of \$15M paid in 2017
 - Current long-term debt \$18M
- Total liquidity of \$100M at 12/31/17 reflects:
 - \$34M cash on hand
 - \$66M of borrowing capacity
- Adequate liquidity/capacity to pursue opportunistic acquisitions

POSITIONED FOR SUSTAINABLE GROWTH



*Based on 2018 guidance

**Net operating profit after taxes / average invested capital balance

CASE FOR INVESTING IN “SPAR”



 <p>Our Goal To become #1 or #2 in each market we serve</p> <p><i>Leading purpose-built vehicle manufacturer</i></p>	 <p>Well-positioned New management team Operational improvements Improved product portfolio Customer-centric focus Financial strength</p> <p><i>Strengthen and grow the core business</i></p>	 <p>Financial Objectives \$1 Billion in Sales ~10% Adj. EBITDA Margins Improved Cash Flows Increase ROIC Enhance shareholder returns</p> <p><i>Accelerate the path forward</i></p>	 <p>Shareholder Alignment Management's long-term goals closely aligned with shareholders</p> <p><i>Increase shareholder value</i></p>
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APPENDIX

RECONCILIATION OF NON - GAAP FINANCIAL MEASURES



This presentation contains adjusted EBITDA (earnings before interest, taxes, depreciation and amortization), adjusted net income, adjusted earnings per share, forecasted adjusted EBITDA, and forecasted adjusted earnings per share, which are all non-GAAP financial measures. These non-GAAP measures are calculated by excluding items that we believe to be infrequent or not indicative of our continuing operating performance. For the periods covered by this release 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, non-cash charges related to the impairment of assets, expenses related to business acquisition activities, 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 measures adjusted EBITDA, adjusted net income and adjusted earnings per share because we consider them to be important supplemental measures 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 longer term operating trends. The presentation of adjusted net income and adjusted earnings per share enables investors to better understand our operations by removing the impact of tax adjustments, including the impact that our deferred tax asset valuation allowance that we recorded in 2015 has had on our tax expense and net income in 2015 and subsequent periods, the impact of a tax deduction for the write-off of an investment in a subsidiary, the impact of the Tax Cuts and Jobs Act on tax expense recorded in 2017, and other items that we believe are not indicative of our longer term operating trends. We believe these measures 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 these non-GAAP measures 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 these non-GAAP measures, when considered together with the corresponding GAAP financial measures and the reconciliations to those measures, provides investors with additional understanding of the factors and trends affecting our business than could be obtained in the absence of these disclosures.

Our management uses adjusted EBITDA to evaluate the performance of and allocate resources to our segments. In addition, non-GAAP measures are used by management to review and analyze our operating performance and, along with other data, as internal measures for setting annual budgets and forecasts, assessing financial performance, and comparing our financial performance with our peers. 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)

	Three Months Ended December 31,			Twelve Months Ended December 31,						
	2017 \$	% of sales	2016 \$	2017 \$	% of sales	2016 \$				
Spartan Motors, Inc.										
Net income	\$ 2,413	1.3%	\$ 542	0.4%	\$ 15,335	2.3%	\$ 8,639	1.5%	\$ (16,972)	-3.1%
Add (deduct):										
Restructuring	53		224		1,252		1,095		1,855	
Intercompany charge impact	-		-		2,073		-		-	
Asset impairment	-		-		-		406		2,234	
Acquisition inventory adjustment	-		-		189		-		-	
NIITDA settlement	-		-		-		-		1,249	
Goodwill expense	-		-		(140)		3,437		8,400	
JV expenses	-		3		-		7		308	
Acquisition related expenses	349		723		1,155		82		-	
Deferred tax asset adjustment	2,540		(252)		(2,240)		(2,332)		9,472	
Tax benefit of liquidation	(946)		(100)		(1,323)		(649)		(2,962)	
Tax effect of adjustments	(356)		(100)		(1,323)		(649)		(2,962)	
Adjusted net income	\$ 3,254	2.1%	\$ 1,294	1.0%	\$ 14,687	2.1%	\$ 11,485	1.9%	\$ 8,214	1.2%
Net income	\$ 2,438	1.3%	\$ 542	0.4%	\$ 15,335	2.3%	\$ 8,610	1.5%	\$ (16,972)	-3.1%
Add (deduct):										
Depreciation and amortization	2,600		2,161		9,937		7,953		7,437	
Taxes on income	3,653		111		90		100		4,883	
Interest expense	282		86		84		(10)		362	
EBITDA	\$ 8,973	2.0%	\$ 3,137	2.3%	\$ 26,324	3.8%	\$ 17,233	2.9%	\$ (2,995)	-0.8%
Add (deduct):										
Restructuring	53		224		1,252		1,095		1,855	
Intercompany charge impact	-		-		2,073		-		-	
Asset impairment	-		-		-		406		2,234	
Acquisition inventory adjustment	-		-		189		-		-	
NIITDA settlement	-		-		-		-		1,249	
Goodwill expense	-		-		(140)		3,437		8,400	
JV expenses	-		3		-		7		308	
Acquisition related expenses	349		723		1,155		82		-	
Adjusted EBITDA	\$ 9,254	2.1%	\$ 4,296	2.9%	\$ 31,022	4.4%	\$ 22,030	3.1%	\$ 12,116	2.2%
Diluted net earnings per share	\$ 0.07		\$ 0.03		\$ 0.46		\$ 0.25		\$ (0.59)	
Add (deduct):										
Restructuring	-		-		0.06		0.03		0.08	
Intercompany charge impact	-		-		0.06		-		-	
Asset impairment	-		-		-		0.01		0.07	
Acquisition inventory adjustment	-		-		0.01		-		-	
NIITDA settlement	-		-		(0.03)		0.10		0.03	
Goodwill expense	-		-		0.04		0.03		0.25	
Acquisition related expenses	0.03		0.02		-		-		-	
JV expenses	-		-		-		-		0.02	
Deferred tax asset adjustment	0.07		(0.07)		(0.18)		(0.09)		0.28	
Tax benefit of liquidation	(0.03)		-		(0.03)		-		-	
Tax effect of adjustments	(0.03)		-		(0.04)		(0.03)		(0.07)	
Adjusted Diluted net earnings per share	\$ 0.11		\$ 0.04		\$ 0.43		\$ 0.32		\$ 0.20	

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



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

	2014	% of sales
Spartan Motors, Inc.		
Net income	\$ 1,029	0.2%
Add (subtract):		
Depreciation and amortization	8,378	
Taxes on income	(2,103)	
Interest expense	341	
EBITDA	7,645	1.5%
Add (subtract):		
Restructuring	2,157	
Asset impairments	-	
Product recall	-	
Acquisition related expenses	-	
NHTSA settlement	-	
Joint venture	289	
Adjusted EBITDA	10,091	2.0%

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



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

Spartan Motors, Inc	Three Months Ended September 30,			
	2017	% of sales	2016	% of sales
Net income	\$ 13,470	7.1%	\$ 2,744	1.8%
Add (subtract):				
Restructuring	232		304	
Intercompany chassis impact	108		-	
Asset impairment	-		406	
Recall expense	(368)		1,742	
Acquisition related expenses	354		-	
Deferred tax asset valuation allowance	(6,295)		(1,716)	
Tax effect of adjustments	(98)		(111)	
Adjusted net income	\$ 7,403	3.9%	\$ 3,369	2.3%
Net income	\$ 13,470	7.1%	\$ 2,744	1.8%
Add (subtract):				
Depreciation and amortization	2,648		2,178	
Taxes on income	(3,736)		(113)	
Interest expense	189		112	
EBITDA	\$ 12,568	6.8%	\$ 4,921	3.3%
Add (subtract):				
Restructuring	232		304	
Intercompany chassis impact	108		-	
Asset impairment	-		406	
Recall expense	(368)		1,742	
Acquisition related expenses	354		-	
Adjusted EBITDA	\$ 12,894	6.8%	\$ 7,373	5.0%
Diluted net earnings per share	\$ 0.38		\$ 0.08	
Add (subtract):				
Restructuring	0.01		0.01	
Intercompany chassis impact	-		-	
Asset impairment	-		0.01	
Recall expense	(0.01)		0.08	
Acquisition related expenses	0.01		-	
Deferred tax asset valuation allowance	(0.18)		(0.05)	
Adjusted Diluted net earnings per share	\$ 0.21		\$ 0.10	

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



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

	Three Months Ended June 30,			
	2017	% of sales	2016	% of sales
Spartan Motors, Inc				
Net income	\$ 1,124	0.7%	\$ 4,374	2.7%
Add (subtract):				
Restructuring	325		227	
Intercompany chassis impact	553		-	
Inventory step-up	-		-	
Recall expense	-		1,715	
Acquisition related expenses	60		-	
Deferred tax asset valuation allowance	-		-	
Tax effect of adjustments	-		-	
Adjusted net income:	\$ 2,162	1.4%	\$ 6,316	3.9%
Net income	\$ 1,124	0.7%	\$ 4,374	2.7%
Add (subtract):				
Depreciation and amortization	2,345		1,778	
Taxes on income	92		9	
Interest expense	129		88	
EBITDA	\$ 3,710	2.2%	\$ 6,249	3.8%
Add (subtract):				
Restructuring	325		227	
Intercompany chassis impact	553		-	
Inventory step-up	-		-	
Recall expense	-		1,715	
Acquisition related expenses	60		-	
Adjusted EBITDA	\$ 4,248	2.9%	\$ 8,191	5.0%
Diluted net earnings per share	\$ 0.08		\$ 0.13	
Add (subtract):				
Restructuring	0.01		0.01	
Intercompany chassis impact	0.03		-	
Purchase accounting impact	-		0.05	
Acquisition related expenses	-		-	
Deferred tax asset valuation allowance	-		-	
Tax effect of adjustments	-		-	
Adjusted Diluted net earnings per share	\$ 0.07		\$ 0.19	

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



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

	Three Months Ended March 31,			
	2017	% of sales	2016	% of sales
Spartan Motors, Inc				
Net income (loss)	\$ (1,093)	-0.7%	\$ 543	0.4%
Add (subtract):				
Restructuring	642		329	
Intercompany chassis impact	1,112		-	
Purchase accounting impact	189		-	
Acquisition related expenses	672		-	
Deferred tax asset valuation allowance	466		(235)	
Tax effect of adjustments	(719)		(125)	
Adjusted net income	\$ 1,264	0.8%	\$ 522	0.4%
Net income (loss)	\$ (1,093)	-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	642		329	
Intercompany chassis impact	1,112		-	
Purchase accounting impact	189		-	
Acquisition related expenses	672		-	
Adjusted EBITDA	\$ 4,189	2.9%	\$ 2,875	2.1%
Diluted net earnings (loss) per share	\$ (0.02)		\$ 0.02	
Add (subtract):				
Restructuring	0.02		0.01	
Intercompany chassis impact	0.03		-	
Purchase accounting impact	0.01		-	
Acquisition related expenses	0.02		-	
Deferred tax asset valuation allowance	0.01		(0.01)	
Tax effect of adjustments	(0.02)		(0.00)	
Adjusted Diluted net earnings per share	\$ 0.04		\$ 0.02	

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Fleet Vehicles and Services Segment (In thousands, unaudited)

	Three Months Ended December 31,		2017		2016	
	2017	% of sales	2017	% of sales	2016	% of sales
Net income attributable to Fleet Vehicles and Services	\$ 4,633	7.5%	\$ 6,323	10.1%	\$ 22,797	9.1%
Add (reduce):						
Depreciation and amortization	743		806		3,351	
Interest expense	80		53		156	
Earnings before interest, taxes, depreciation and amortization	\$ 5,456	8.9%	\$ 7,232	11.4%	\$ 26,314	10.3%
Earnings before interest, taxes, depreciation and amortization	\$ 5,795	9.3%	\$ 7,512	11.4%	\$ 26,314	10.3%
Restructuring charges	-		-		604	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 5,795	9.3%	\$ 7,512	11.4%	\$ 26,918	10.3%

Emergency Response Vehicles Segment (In thousands, unaudited)

	Three Months Ended December 31,		2017		2016	
	2017	% of sales	2017	% of sales	2016	% of sales
Net income (loss) attributable to Emergency Response	\$ 2,004	2.9%	\$ (2,748)	-7.9%	\$ (1,699)	-0.3%
Add (reduce):						
Depreciation and amortization	631		509		2,349	
Taxes on income	-		-		70	
Earnings (loss) before interest, taxes, depreciation and amortization	\$ 2,635	3.7%	\$ (2,239)	-6.8%	\$ 820	0.3%
Earnings (loss) before interest, taxes, depreciation and amortization	\$ 2,635	3.7%	\$ (2,239)	-6.8%	\$ 820	0.3%
Restructuring charges	44		204		624	
Intercompany/ chassis impact	-		-		2,073	
Asset impairment	-		-		-	
Acquisition inventory adjustment	-		-		189	
Rental expense	-		-		(398)	
TV expenses	-		1		7	
Adjusted earnings (loss) before interest, taxes, depreciation and amortization	\$ 2,679	3.7%	\$ (2,035)	-6.4%	\$ 3,121	1.1%

Specialty Chassis and Vehicles Segment (In thousands, unaudited)

	Three Months Ended December 31,		2017		2016	
	2017	% of sales	2017	% of sales	2016	% of sales
Net income attributable to Specialty Chassis and Vehicles	\$ 4,232	10.3%	\$ 1,519	5.1%	\$ 12,562	8.0%
Add (reduce):						
Depreciation and amortization	379		319		1,314	
Earnings before interest, taxes, depreciation and amortization	\$ 4,605	11.2%	\$ 1,838	5.7%	\$ 13,876	8.8%
Earnings before interest, taxes, depreciation and amortization	\$ 4,605	11.2%	\$ 1,838	5.7%	\$ 13,876	8.8%
Restructuring charges	7		-		122	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 4,612	11.2%	\$ 1,838	5.7%	\$ 14,028	8.9%

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Fleet Vehicles and Services Segment (In thousands, unaudited)

	Three Months Ended September 30,		2014	
	2017	% of sales	% of sales	% of sales
Net income attributable to Fleet Vehicles and Services	\$ 3,671	9.5%	\$ 9,262	11.3%
Add (subtract):				
Depreciation and amortization	855		811	
Interest expense	27		43	
Earnings before interest, taxes, depreciation and amortization	\$ 4,553	10.5%	\$ 10,116	13.0%
Earnings before interest, taxes, depreciation and amortization	\$ 4,553	10.5%	\$ 10,116	13.0%
Restructuring charges	232		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 4,785	11.2%	\$ 10,116	13.0%

Emergency Response Vehicles Segment (In thousands, unaudited)

	Three Months Ended September 30,		2014	
	2017	% of sales	% of sales	% of sales
Net income (loss) attributable to Emergency Response	\$ 2,156	3.3%	\$ (3,337)	-0.1%
Add (subtract):				
Depreciation and amortization	575		217	
Taxes on income	-		-	
Earnings (loss) before interest, taxes, depreciation and amortization	\$ 2,731	4.2%	\$ (2,910)	-0.4%
Earnings (loss) before interest, taxes, depreciation and amortization	\$ 2,731	4.2%	\$ (2,910)	-0.4%
Restructuring charges	-		304	
Intercompany claims impact	106		-	
Recall expense	(363)		1,742	
Asset impairment	-		406	
Adjusted earnings (loss) before interest, taxes, depreciation and amortization	\$ 2,501	3.8%	\$ (1,158)	-0.2%

Specialty Chassis and Vehicles Segment (In thousands, unaudited)

	Three Months Ended September 30,		2014	
	2017	% of sales	% of sales	% of sales
Net income attributable to Specialty Chassis and Vehicles	\$ 4,701	9.8%	\$ 1,164	3.7%
Add (subtract):				
Depreciation and amortization	365		184	
Earnings before interest, taxes, depreciation and amortization	\$ 5,066	10.5%	\$ 1,348	4.3%
Earnings before interest, taxes, depreciation and amortization	\$ 5,066	10.5%	\$ 1,348	4.3%
Restructuring charges	-		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 5,066	10.5%	\$ 1,348	4.3%

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Best Vehicles and Services Segment (In thousands, unaudited)

	Three Months Ended June 30,		2018	
	2017	% of sales	2018	% of sales
Net income attributable to Fleet Vehicles and Services	\$ 4,366	9.3%	\$ 5,200	8.5%
Add (subtract):				
Depreciation and amortization	887		841	
Interest expense	12		21	
Earnings before interest, taxes, depreciation and amortization	\$ 5,265	11.0%	\$ 6,122	9.8%
Earnings before interest, taxes, depreciation and amortization	\$ 5,267	11.0%	\$ 6,122	9.8%
Restructuring charges	807		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 6,074	11.9%	\$ 6,122	9.8%

Emergency Response Vehicles Segment (In thousands, unaudited)

	Three Months Ended June 30,		2018	
	2017	% of sales	2018	% of sales
Net (loss) attributable to Emergency Response	\$ (2,100)	-2.6%	\$ (2,475)	-4.7%
Add (subtract):				
Depreciation and amortization	384		210	
Taxes on income	-		70	
Earnings before interest, taxes, depreciation and amortization	\$ (1,716)	-1.9%	\$ (2,195)	-4.2%
Earnings before interest, taxes, depreciation and amortization	\$ (1,516)	-1.9%	\$ (2,145)	-4.2%
Restructuring charges	10		227	
Intercompany charges impact	854		-	
Net oil expense	-		1,815	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ (652)	-0.8%	\$ (253)	-0.5%

Specialty Chassis and Vehicles Segment (In thousands, unaudited)

	Three Months Ended June 30,		2018	
	2017	% of sales	2018	% of sales
Net income attributable to Specialty Chassis and Vehicles	\$ 2,502	7.0%	\$ 3,200	8.6%
Add (subtract):				
Depreciation and amortization	263		133	
Earnings before interest, taxes, depreciation and amortization	\$ 2,765	7.9%	\$ 3,333	9.0%
Earnings before interest, taxes, depreciation and amortization	\$ 2,765	7.7%	\$ 3,383	9.0%
Restructuring charges	-		50	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 2,765	7.7%	\$ 3,383	9.0%

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Fleet Vehicles and Services Segment (In thousands, unaudited)

	Three Months Ended March 31,		2018	
	2017	% of sales	2017	% of sales
Net income (loss) attributable to Fleet Vehicles and Services	\$ 3,220	9.7%	\$ 2,344	9.4%
Add (subtract):				
Depreciation and amortization	875		873	
Taxes on income	-		-	
Interest expense	36		45	
Damage before interest, taxes, depreciation and amortization	\$ 6,139	11.4%	\$ 6,462	10.9%
Damage before interest, taxes, depreciation and amortization	\$ 6,139	11.4%	\$ 6,462	10.9%
Restructuring	106		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 6,245	11.8%	\$ 6,462	10.9%

Emergency Response Vehicles Segment (In thousands, unaudited)

	Three Months Ended March 31,		2018	
	2017	% of sales	2017	% of sales
Net income (loss) attributable to Emergency Response	\$ (3,589)	-8.9%	\$ (3,664)	-8.9%
Add (subtract):				
Depreciation and amortization	352		306	
Taxes on income	-		-	
Interest expense	-		-	
Damage before interest, taxes, depreciation and amortization	\$ (3,007)	-7.8%	\$ (3,458)	-8.4%
Damage before interest, taxes, depreciation and amortization	\$ (3,007)	-7.8%	\$ (3,458)	-8.4%
Restructuring	399		339	
Intercompany clearing impact	1,112		-	
Purchase accounting impact	189		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ (1,317)	-3.3%	\$ (3,119)	-7.6%

Specialty Chassis and Vehicles Segment (In thousands, unaudited)

	Three Months Ended March 31,		2018	
	2017	% of sales	2017	% of sales
Net income (loss) attributable to Specialty Chassis and Vehicles	\$ 1,121	3.4%	\$ 1,480	4.4%
Add (subtract):				
Depreciation and amortization	330		315	
Taxes on income	-		-	
Interest expense	-		-	
Damage before interest, taxes, depreciation and amortization	\$ 1,451	4.4%	\$ 1,595	4.6%
Damage before interest, taxes, depreciation and amortization	\$ 1,451	4.4%	\$ 1,595	4.6%
Restructuring	96		-	
Adjusted earnings before interest, taxes, depreciation and amortization	\$ 1,547	4.7%	\$ 1,595	4.6%

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Financial Summary (Non-GAAP)
(In thousands)
(Unaudited)

	2014	2015	2016	2017	2018 Fcst
Operating income (loss)	\$ (1,151)	\$ (12,479)	\$ 8,625	\$ 16,171	\$ 28,078
Less Taxes	2,103	(4,880)	(100)	(90)	(7,720)
Net operating profit after taxes	<u>\$ 952</u>	<u>\$ (17,359)</u>	<u>\$ 8,525</u>	<u>\$ 16,081</u>	<u>\$ 20,358</u>
Spartan Motors Inc. shareholders' equity					
Beginning balance	\$ 171,549	\$ 168,760	\$ 149,141	\$ 153,609	\$ 168,927
Ending balance	<u>168,760</u>	<u>149,141</u>	<u>153,609</u>	<u>168,927</u>	<u>186,070</u>
Average	<u>\$ 170,155</u>	<u>\$ 158,951</u>	<u>\$ 151,375</u>	<u>\$ 161,268</u>	<u>\$ 177,499</u>
Return on Invested Capital	<u>0.6%</u>	<u>-10.9%</u>	<u>5.6%</u>	<u>10.0%</u>	<u>11.5%</u>

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



Financial Summary (Non-GAAP)

Consolidated
(In thousands)
(Unaudited)

	2018 Fest	2017	2016	2015	2014
Operating Activities					
Net earnings (loss)	\$ 19,900	\$ 15,934	\$ 8,603	\$ (17,480)	\$ 1,029
Depreciation & amortization	11,600	9,937	7,903	7,437	8,378
Accruals for warranty	10,000	9,100	12,989	15,388	6,533
Asset impairments	-	-	406	2,234	-
Other non-cash charges	4,000	(451)	(1,143)	6,321	(90)
Change in working capital	(23,000)	(12,504)	(5,430)	(1,044)	(9,444)
Net cash provided by operating activities (A)	22,500	22,016	23,328	12,856	6,406
Capital Activities (B)					
Capital expenditures (B)	(12,500)	(5,340)	(13,410)	(4,895)	(3,463)
Payments on long-term debt	-	(15,070)	(5,058)	(75)	(80)
Purchase and retirement of common stock	-	-	(2,000)	-	(2,000)
Dividends	(3,600)	(3,508)	(3,444)	(3,426)	(3,427)
Acquisition of business, net of cash	-	(28,903)	-	-	-
Proceeds from long-term debt	-	32,919	10	-	-
Other	-	(632)	(86)	(329)	427
Net increase (decrease) in cash and cash equivalents	\$ 6,400	\$ 1,482	\$ (660)	\$ 4,131	\$ (2,137)
Free cash flow (A-B)	\$ 10,000	\$ 16,676	\$ 9,918	\$ 7,961	\$ 2,943

RECONCILIATION OF NON – GAAP FINANCIAL MEASURES



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

	Forecast		
	Year Ending December 31, 2018		
	Low	Mid	High
Net income	\$ 18,842	\$ 19,903	\$ 20,963
Add			
Depreciation and amortization	11,672	11,672	11,672
Interest expense	427	455	483
Taxes	7,309	7,720	8,132
EBITDA	<u>\$ 38,250</u>	<u>\$ 39,750</u>	<u>\$ 41,250</u>
Add (subtract):			
Restructuring charges	750	750	750
Adjusted EBITDA	<u>\$ 39,000</u>	<u>\$ 40,500</u>	<u>\$ 42,000</u>
Earnings per share	\$ 0.54	\$ 0.57	\$ 0.60
Add			
Restructuring charges	0.02	0.02	0.02
Less tax effect of adjustments	-	-	-
Adjusted earnings per share	<u>\$ 0.56</u>	<u>\$ 0.59</u>	<u>\$ 0.62</u>



THANK YOU

FOR MORE INFORMATION:

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