



BLUE BIRD[®]

*"A Leader in zero- and
low-emission transportation"*

**BLUE BIRD CORPORATION
(NASDAQ: BLBD)**

Investor Presentation

February 2025

Important Disclaimers

Forward Looking Statements

This presentation includes forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to expectations for future financial performance, business strategies or expectations for our business. Specifically, forward-looking statements include statements regarding guidance, seasonality, product mix and gross profits and may include statements relating to:

- Inherent limitations of internal controls impacting financial statements
- Growth opportunities
- Future profitability
- Ability to expand market share
- Customer demand for certain products
- Economic conditions (including tariffs) that could affect fuel costs, commodity costs, industry size and financial conditions of our dealers and suppliers
- Labor or other constraints on the Company’s ability to maintain a competitive cost structure
- Volatility in the tax base and other funding sources that support the purchase of buses by our end customers
- Lower or higher than anticipated market acceptance for our products
- Other statements preceded by, followed by or that include the words “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “target” or similar expressions
- Future impacts from the novel coronavirus pandemic known as "COVID-19," and any other pandemics, public health crises, or epidemics, on capital markets, manufacturing and supply chain abilities, consumer and customer demand, school system operations, workplace conditions, and any other unexpected impacts

These forward-looking statements are based on information available as of the date of this presentation, and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing our views as of any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. The factors described above, as well as risk factors described in reports filed with the SEC by Blue Bird Corporation (available at www.sec.gov), could cause our actual results to differ materially from estimates or expectations reflected in such forward-looking statements.



Important Disclaimers

Non-GAAP Financial Measures

This presentation may include the following non-GAAP financial measures: “Adjusted EBITDA,” “Adjusted EBITDA Margin,” “Adjusted Net Income,” “Adjusted Diluted Earnings per Share,” “Free Cash Flow” and “Adjusted Free Cash Flow.”

Adjusted EBITDA is defined as net income or loss prior to discontinued operations income or loss, interest income, interest expense including the component of lease expense (which is presented as a single operating expense in selling, general and administrative expenses in our GAAP financial statements) that represents interest expense on lease liabilities, income taxes, depreciation and amortization including the component of lease expense (which is presented as a single operating expense in selling, general and administrative expenses in our GAAP financial statements) that represents amortization charges on right-to-use lease assets, and disposals, as adjusted to add back certain charges that we may record each year, such as stock-compensation expense, as well as non-recurring charges such as (i) significant product design changes; (ii) transaction related costs; (iii) discrete expenses related to major cost cutting initiatives; or (iv) costs directly attributed to the COVID-19 pandemic (3). We believe these expenses are not considered an indicator of ongoing company performance. We define Adjusted EBITDA margin as Adjusted EBITDA as a percentage of net sales.

Adjusted Net Income is net income or loss as adjusted to add back certain costs as mentioned above. Adjusted Diluted Earnings per Share represents Adjusted Net Income or loss available to common stockholders divided by diluted weighted average common shares outstanding (as if we had GAAP net income during the respective period). Adjusted Net Income and Adjusted Diluted Earnings per Share are calculated net of taxes.

Free cash flow represents net cash provided by/used in operating activities minus cash paid for fixed assets, Adjusted Free Cash Flow represents Free Cash Flow minus cash paid for (i) significant product design changes; (ii) transaction related costs; or (iii) discrete expenses related to major cost cutting initiatives.

There are limitations to using non-GAAP measures. Although Blue Bird believes that such measures may enhance an evaluation of Blue Bird’s operating performance and cash flows, (i) other companies in Blue Bird’s industry may define such measures differently than Blue Bird does and, as a result, they may not be comparable to similarly titled measures used by other companies in Blue Bird’s industry and (ii) such measures may exclude certain financial information that some may consider important in evaluating Blue Bird’s performance and cash flows.



Agenda

Investment Highlights

School Bus Industry Overview

Company & Product Highlights

FY2025 Objectives

Growth Runway



Investment Highlights

Countercyclical

Strong industry growth ahead with a backdrop of healthy funding and an aging school bus fleet

National Commitment

Beneficiary of Federal and State subsidies for the electrification of school buses

The Leader

Leading market position in alternative power and electric school buses

Expanding our TAM

Product portfolio further diversified through introduction of EV commercial chassis offering

Reducing Costs

Reducing structural costs through Lean Transformation

Profitable Growth

Pricing aligned to market economics and volatility



EBITDA margins of ~14% in 2025 and 15%+ in the longer-term

School Bus Industry Overview

Industry Highlights

School buses are America's largest mass transit system

500k+

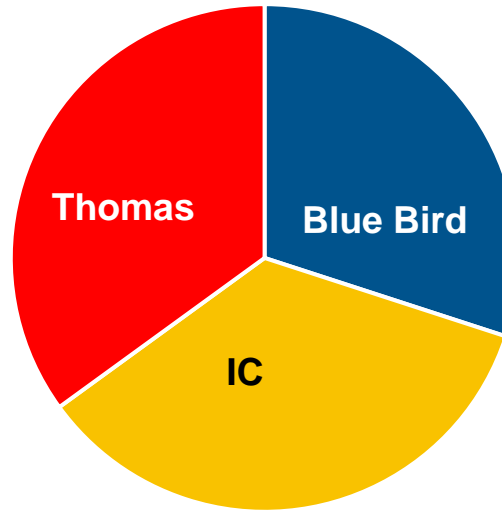
school buses in operation in the U.S. and Canada transporting

26 MILLION KIDS

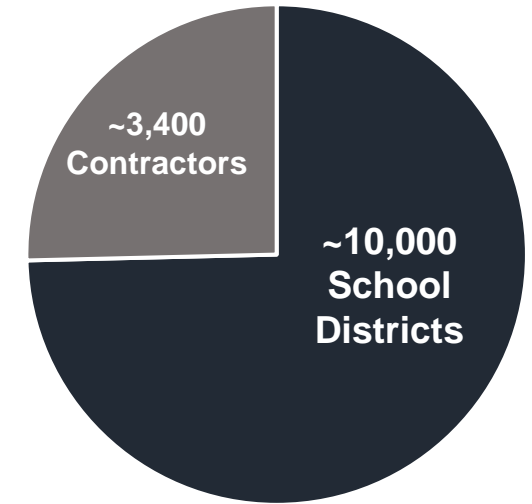
to school on a daily basis



OEMs



School Bus Customers



High barriers to entry

Highly specialized product -- Complex state and customer requirements -- Dealer and service network -- Customer relationship driven business

Demand Drivers

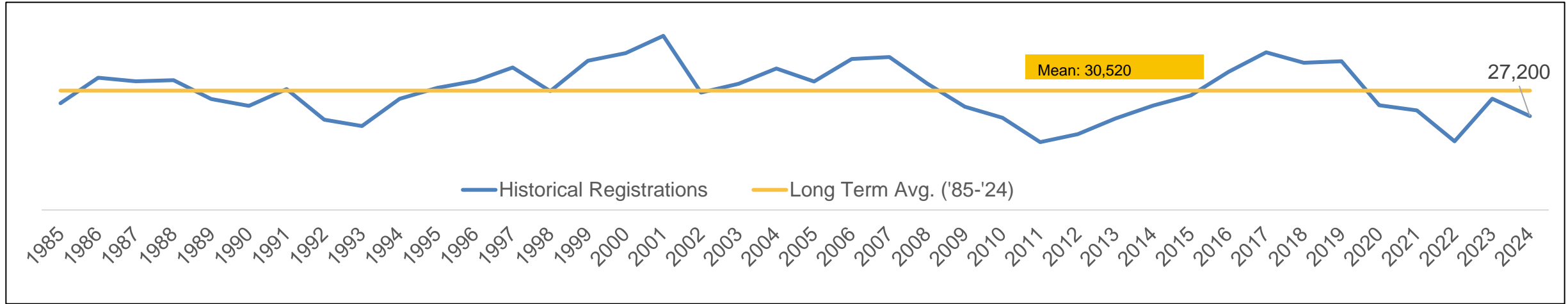
Population of school age children increasing -- Increasing average age of existing fleet -- Federal funding for clean school buses

Relatively Clear Funding Sources

Property taxes are primary source of funding; volume tracks housing prices



Type C & D School Bus Industry



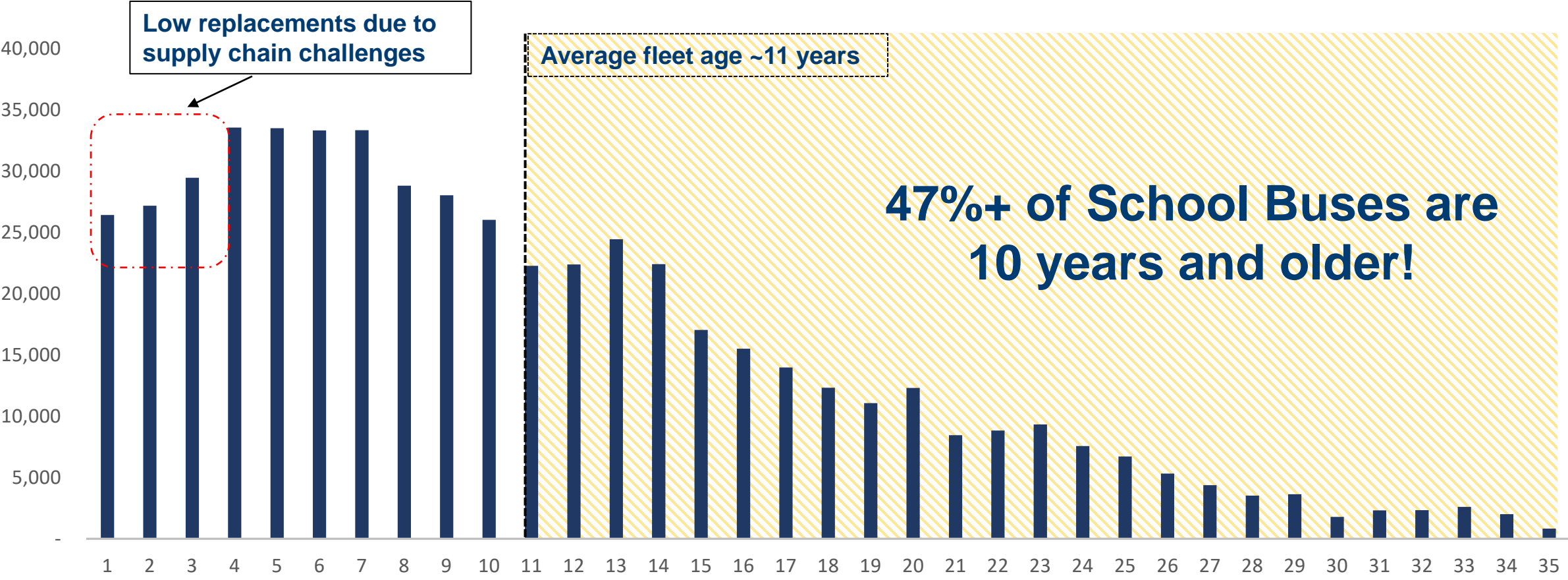
- Industry avg size is 30,500 new units annually based on S&P Global Mobility registrations (formerly Polk)
- Total fleet of school buses is ~570k units and average age is about 11 years
- Industry size is driven by:
 - Number of school age children
 - Age of existing fleet – most states set 15 years as a replacement target
 - Average ridership per bus
 - Funding – primarily from property tax

**FY2025 industry expected to be ~31k units as industry production returns to full capacity;
core funding and demand is healthy at pre-pandemic order levels**



Fleet Age Profile Supports Elevated Replacement Demand

~570K School Buses on the Road



~270K buses in service for more than 10 years supports high annual replacement volume

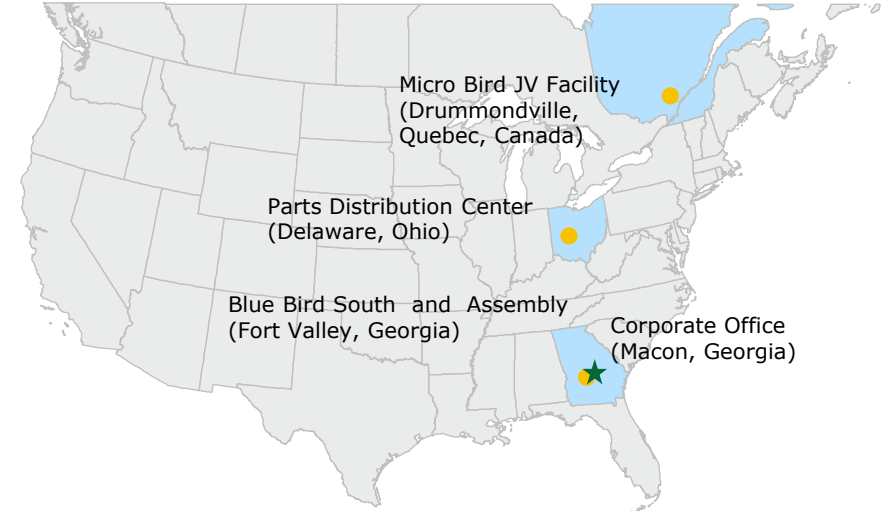
Source: S&P Global Mobility (formerly Polk) VIO, based on Type C/D school buses and non-school buses in US/CAN through Mar. 2024

Company & Product Highlights

Introduction to Blue Bird

- Headquartered in Macon, Georgia
- Leader in alternative power; #1 in electric & propane school buses
- 60%+ of Blue Bird sales are non-diesel; <10-20% for competitors
- Full range of chassis that can be offered to third parties, led by EV
- Manufacturing footprint strategically positioned to serve the entire U.S. market
- Dedicated dealer network with more than 50 dealers and more than 250 service centers

Dedicated Manufacturing Footprint



School Bus Industry Products



Type C Buses
(Conventional)
Seating Capacity: 36-83
Fuel Types: Diesel, Propane, Gasoline, Electric



Type D RE Buses
(Rear Engine, Transit-Style)
Seating Capacity: 66-84
Fuel Types: Diesel, Electric



Type D FE Buses
(Front Engine, Transit-Style)
Seating Capacity: 54-90
Fuel Type: Diesel

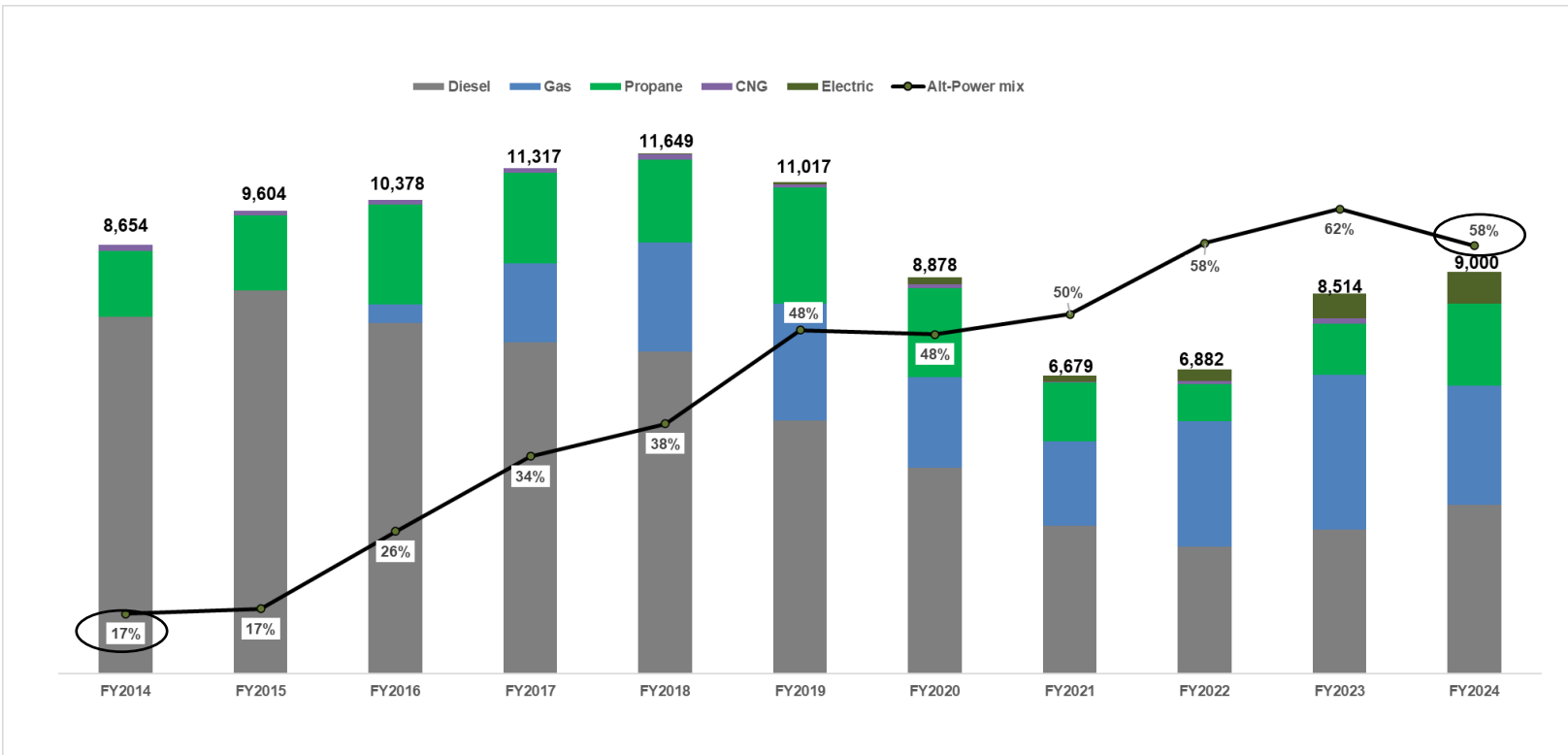


Type A Buses
Seating Capacity: 10-30
Fuel Types: Diesel, Propane, Gasoline, Electric

Blue Bird offers most expansive range, from 10 to 90 passengers with multiple body and engine choices



Proven Leadership in Clean Technologies

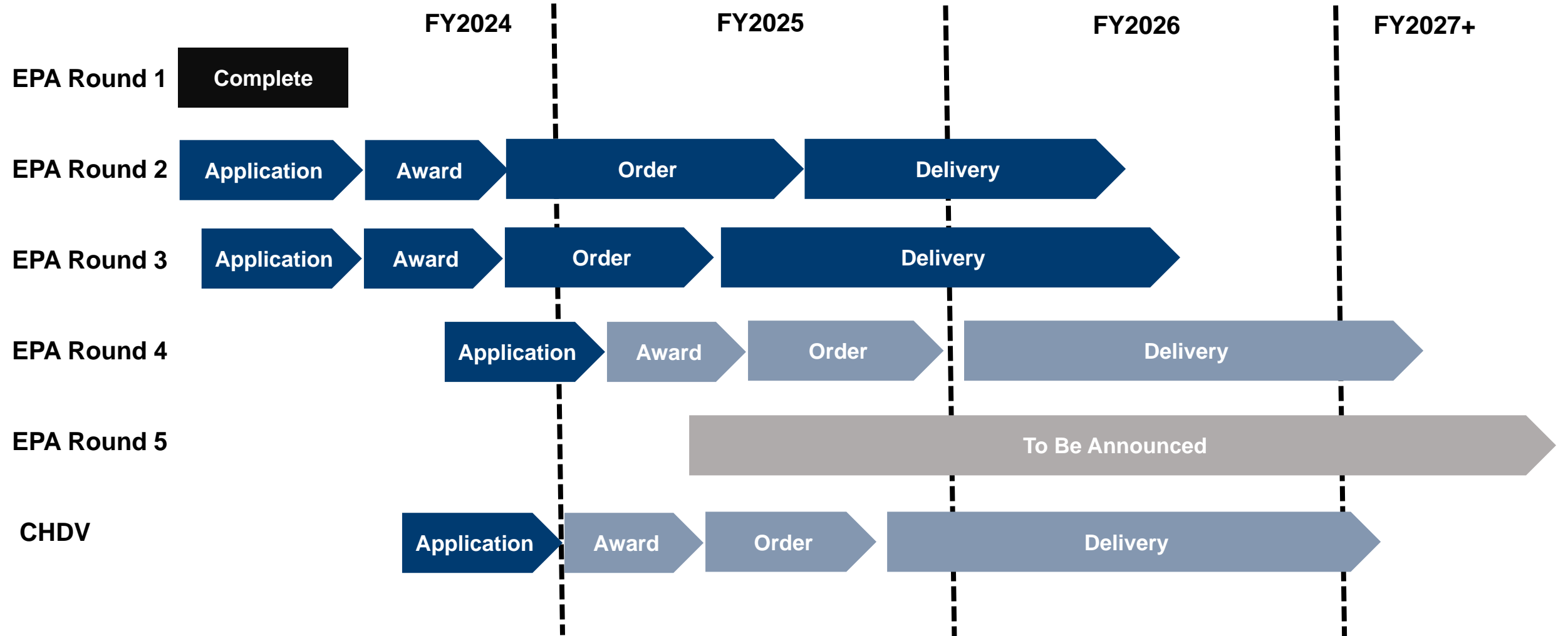


- Proven track record of leadership in new technologies; more than 60% of unit sales are non-diesel
- Leader in electric and propane-powered school buses; the future of school transportation
- Beneficiary of Federal and State subsidies for electric school buses to accelerate adoption
- Launched its Blue Bird Energy Services and Clean Bus Solutions JV business to provide turnkey charging infrastructure solutions for electric school bus fleets

Trusted lower-emission school bus brand with a proven track record in the school bus business



Federal EV Programs: Expected Order and Delivery Timing



Order and delivery periods are lengthy to allow awardees time to finalize infrastructure needs



Build Complete Ecosystem for EV School Bus Deployment

END OF LIFE

Determine recycling program for used batteries after use

SERVICE & SUPPORT

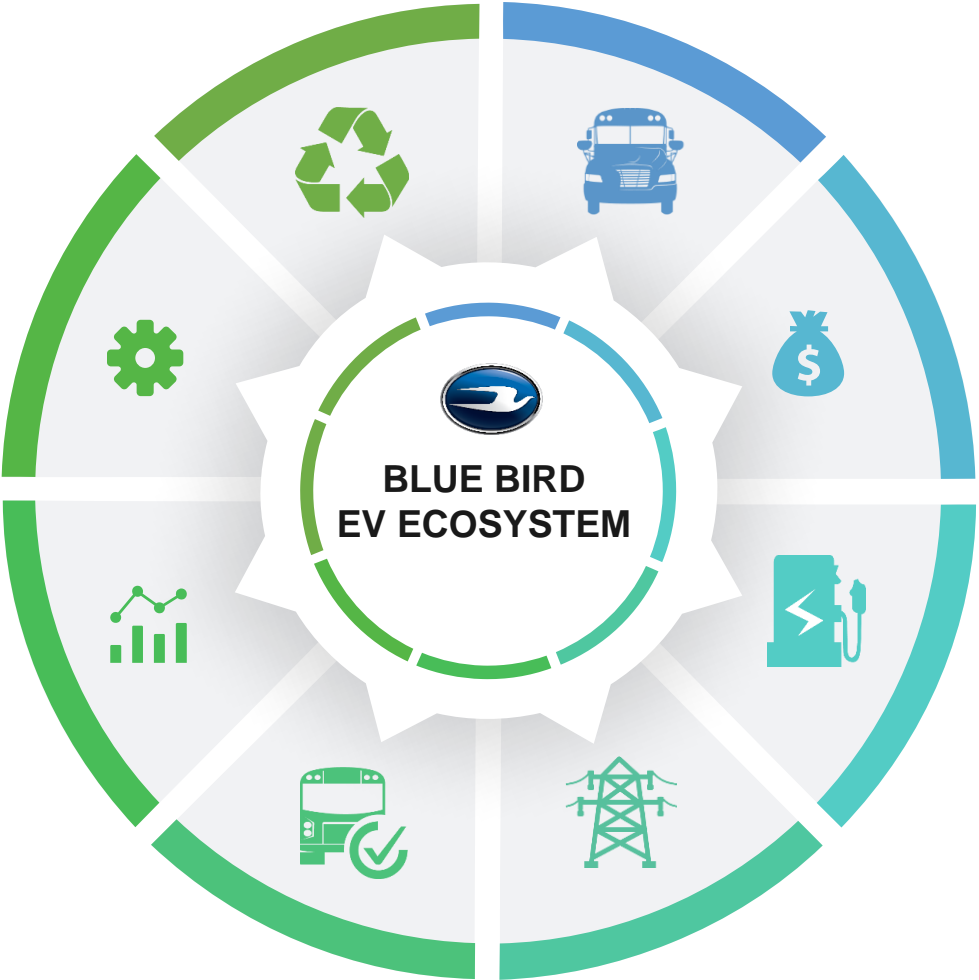
Connect with dealer and EV system provider to support and service bus throughout its lifetime

TELEMATICS

Set up a solution to track bus performance, diagnostics and more

DEPLOYMENT

Build and deliver buses, as well as offer driver, safety and technician training services



ASSESSMENT

Determine what bus best fits the customer's needs based on terrain, climate and route planning

FINANCING

Identify financing through grants, tax breaks, subsidies or lending services

INFRASTRUCTURE

Assess infrastructure needs and connect to the right partners for energy sourcing and infrastructure installation

V2G/V2X

Create vehicle-to-grid plan with revenue potential and utility involvement



Fueling Our EV Long-Term Growth: Fleet-as-a-Service JV

- Formed “Clean Bus Solutions” – 50/50 JV with Generate Capital and Blue Bird to accelerate electric school bus adoption; exclusive to Blue Bird customers and dealers
- Buses purchased By JV through dealer network
- Offers affordable monthly service fee for Blue Bird electric bus fleet, charging infrastructure, associated planning and customization; other service add-ons available
- Eliminates upfront capital expense for EV purchase and provides customer peace-of-mind from turnkey solution
- Provides Blue Bird and dealers access to new recurring revenue streams during the entire product lifecycle



Generate is a sustainable infrastructure investment and operating company. Generate finances, builds, owns and operates affordable and resilient resources to de-risk and accelerate the infrastructure transition. Generate provides flexible capital solutions and integrated services to the innovative technology providers and project developers who deploy the energy, waste, transportation, water, agriculture and smart cities solutions required to fight climate change.



POWER



MOBILITY



WASTE
&
WATER



CITIES



Strategic JV created to accelerate EV adoption and provide recurring revenue streams

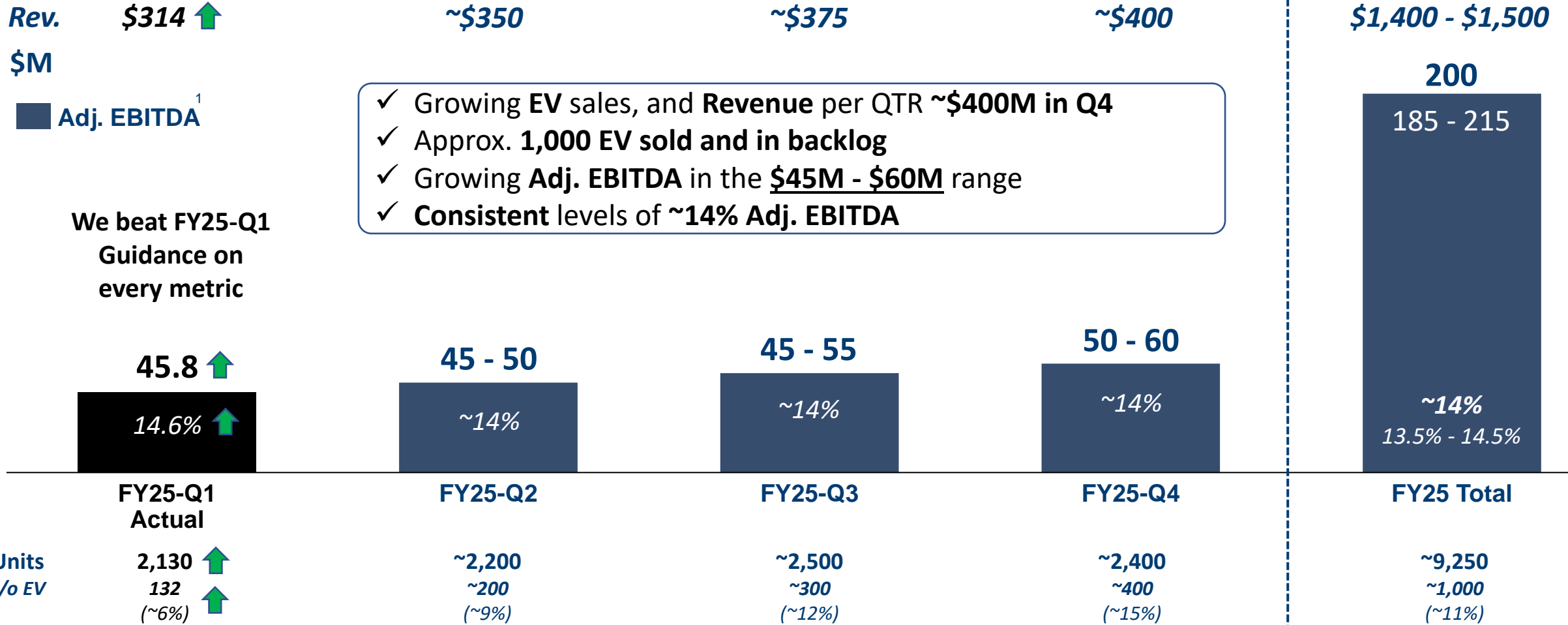
FY2025 Objectives

FY2025 Priorities Align with Our Strategy



Our core strategies drive our plans toward sustained profitable growth

FY2025 Quarterly Guidance – Updated



We beat FY25-Q1 Guidance on every metric; confirming ~1,000 EVs in FY2025




¹ See appendix for additional detail regarding non-GAAP measures

FY2025 Full Year Guidance – Confirm \$200M and ~14% Margin

Tailwinds

- Strong ICE demand
- Stable Gross Margins
- Propane/Gas exclusive
- EV growth (non-EPA)

FY25 Scenarios

	Downside	Guidance	Upside
Supply / EPA EV			
Units	9,000	9,250	9,500
<i>t/o EV Units</i>	<1,000	~1,000	1,000+
Revenue \$M	\$1,400	\$1,450	\$1,500
Adj. EBITDA \$M	\$185	\$200	\$215
Adj. EBITDA %	13.5%	~14%	14.5%

Headwinds

- Supply chain
- Labor Costs (USW)
- Material Costs
- EPA EV Program

Blue Bird Confirmed Guidance for FY25:

\$1.45B in Revenue (range \$1.4B - \$1.5B)

Adj. EBITDA \$200M and ~14% Margin (range 13.5% - 14.5%)



Blue Bird Awarded \$80M MESC Grant by DOE for New Plant

- New 600k sq.ft. Type D / EV production facility in Fort Valley, GA
- Total Investment ~\$160M, 50% funded by Blue Bird
- Build-out 2 years, launch expected by mid CY 2027
- FCF CAPEX impact in FY25 of up to \$50M
- Raises total capacity on one shift to ~14k buses / year
- Provides increased volume upside for commercial chassis
- ~400 new jobs, includes ~\$10M of community benefits
- Project IRR 28%, payback 2 years after launch
- DOE contract signed December 2024



New plant supports our profitable growth plans for 12,000+ units, produced on one-shift

FY2025 Full Year Guidance – Confirm \$200M and ~14% Margin

<i>\$ Millions</i>	FY2024 Actuals	FY2025 Guidance	FY2025 February Guidance	<i>B/(W) Vs. Prior Year</i>
Net Revenue	\$1,347	\$1,400 - \$1,500	\$1,400 - \$1,500	\$53 - \$153
Adj. EBITDA¹	\$183	\$190 - \$210	\$185 - \$215	\$2 - \$32
Adj. Free Cash Flow¹	\$99	\$40 - \$60 t/o MESC \$(50)	\$40 - \$60 t/o MESC \$(50)	\$(59) - \$(39) t/o MESC \$(50)

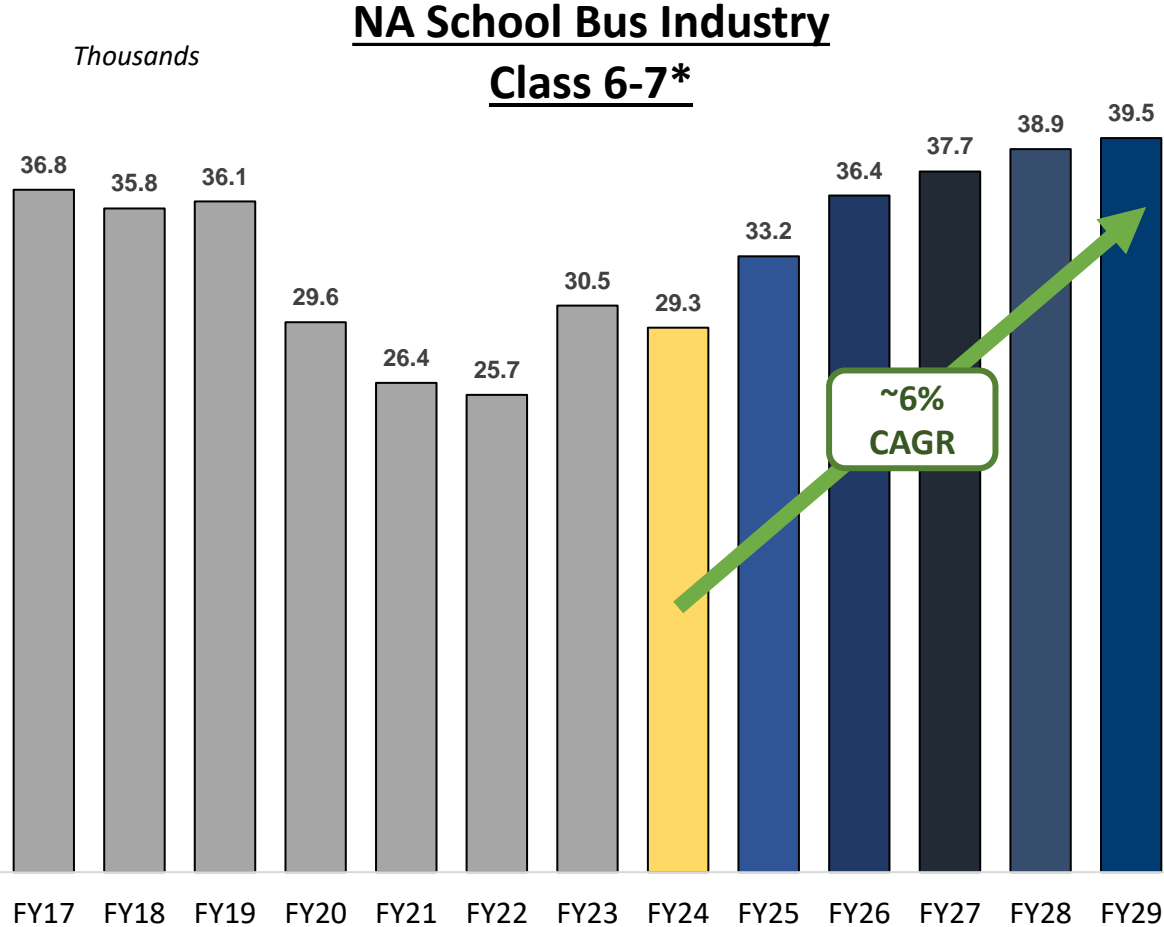
FY2025 expected to be a new record for Blue Bird for both top-line and bottom-line results



¹ See appendix for additional detail regarding non-GAAP measures

Record Profit Outlook in FY2025 & Beyond

Bookings	↑ 3%+ = ~9,250 units
Revenue	↑ 8%+ = ~\$1.45 Billion
Adj. EBITDA	↑ 9% = ~\$200 Million
Adj. EBITDA Margin	↑ 40 bps = ~14%
EV Bookings	↑ 42%+ = ~1,000 units



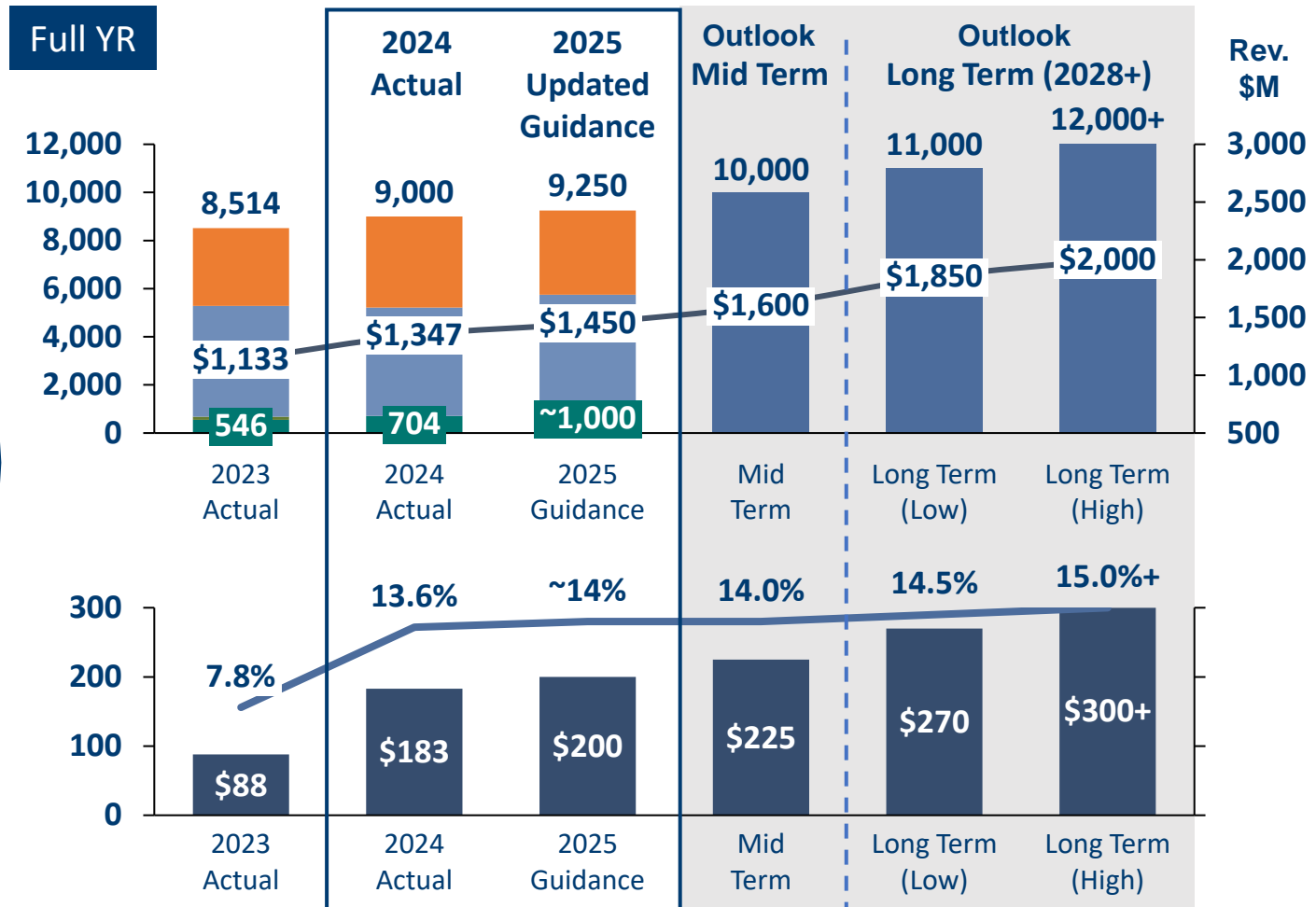
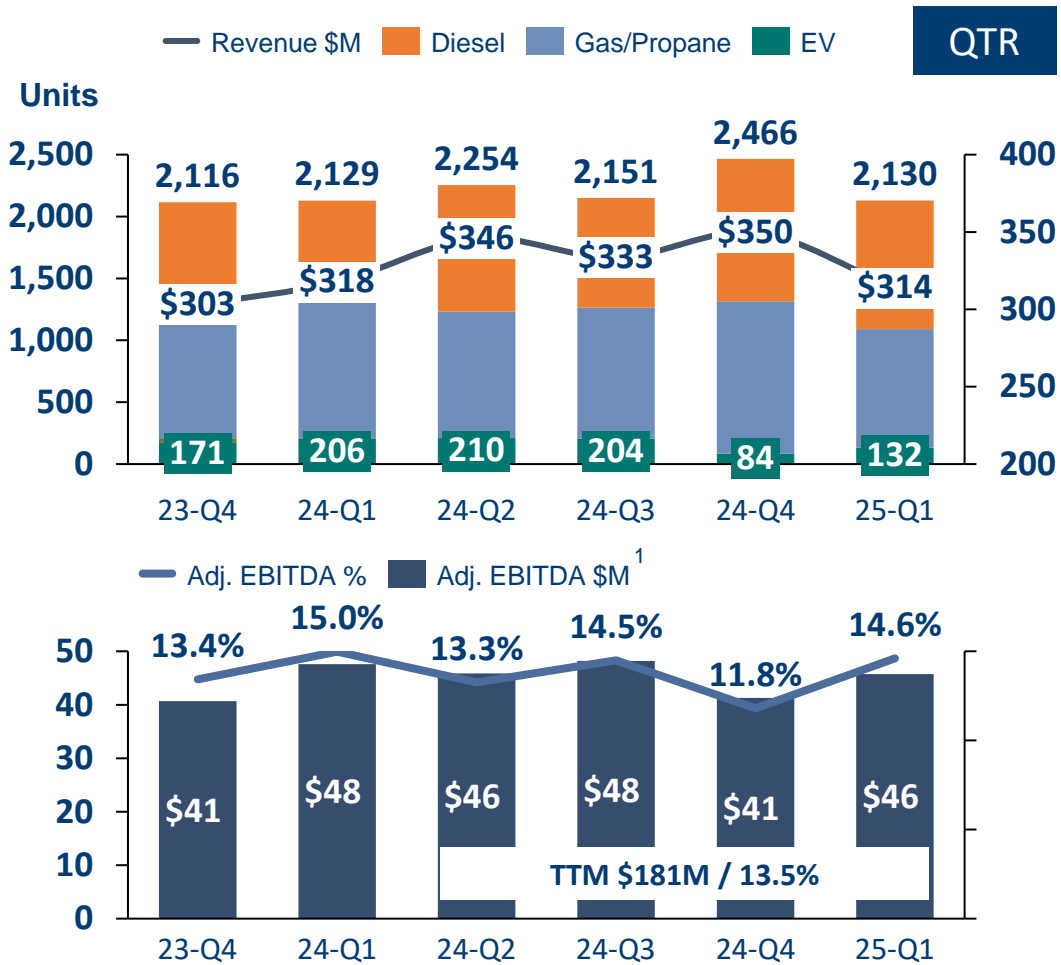
*ACT Retail Sales – as of January 2025



EBITDA Margins of ~14% in 2025 and 15%+ longer-term

Solid Growth Runway

We Reconfirm Our Mid Term Outlook at 14% EBITDA



Confirmed growth path towards ~\$2B Revenue and 15%+ Adj. EBITDA

¹ See appendix for additional detail regarding non-GAAP measures

Strong Outlook Ahead for Blue Bird / Investment Highlights

Countercyclical

Strong industry growth ahead with a backdrop of healthy funding and an aging school bus fleet

National Commitment

Beneficiary of Federal and State subsidies for the electrification of school buses

The Leader

Leading market position in alternative power and electric school buses

Expanding our TAM

Product portfolio further diversified through introduction of EV commercial chassis offering

Reducing Costs

Reducing structural costs through Lean Transformation

Profitable Growth


Pricing aligned to market economics and volatility

EBITDA margins of ~14% in 2025 and 15%+ in the longer-term





Appendix

Key FY2025 Q1 Takeaways: Near-Record Quarterly Profit


- 


Revenue EBITDA Cash Flow


Near-Record Profit and Margin; Beat Q1 Guidance; Maintaining Full Year Guidance
- 

Robust Market Demand, Increasing Order Share and Continuing Strong Backlog
- 

Higher ICE Bus Prices Compared with Last Year and Competitive with Market
- 

EV Backlog Increasing; Undisputed Leader in Alternative Power
- 

Investing in the Business – People, Processes, Product and Facilities
- 

Significantly Improved Plant Operational Performance with More Stability
- 

Monitoring and Responding to Impact of President’s Executive Orders and Potential tariffs



Strong market demand, alternative-power leadership and profit margins at record levels

FY2025 Q1 Financial Results and Key Business Highlights

FINANCIAL HIGHLIGHTS

UNITS SOLD
2,130

+1 vs.'24

NET SALES
\$314M

\$(4)M vs.'24

Adjusted EBITDA
\$46M

\$(2)M vs.'24

Adjusted FCF
\$22M

\$23M vs.'24

BUSINESS HIGHLIGHTS

Strong
\$760M
Backlog of
4.7k Units¹



~1,000 EVs
booked and in
backlog¹



Micro Bird
New Plant
Acquired in
New York

Maintained ASP
despite lower
EV mix
(6% vs 10% mix)



~\$250M
of EV's in
firm order Backlog¹

John Wyskiel
Announced as



President and CEO

Parts Sales of
\$26M;
6% YoY increase



Alt. Power sales
mix of 51%



Signed \$80M
MESC
Funding
Agreement
with DOE



Beat Q1
Guidance

Revenue	+\$14M
Adj. EBITDA	+\$3M
Adj. FCF	N/A
(at mid-point of range)	



Near-Record Quarterly Profit - Q1 Adj. EBITDA of \$46M and 15% Margin, with 94% ICE Mix

FY2025 Q1 Financial Results

FINANCIAL HIGHLIGHTS

FY2025 Q1 Results

UNITS
SOLD

2,130

+1 vs.'24

NET
SALES

\$314M

\$(4)M vs.'24

Adjusted
EBITDA

\$46M

\$(2)M vs.'24

Adjusted
FCF

\$22M

\$23M vs.'24



Strong Revenue, Adj. EBITDA and Free Cash-flow despite USW labor cost impact and lower EV mix



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See appendix for additional detail regarding non-GAAP measures

Income Statement

(\$ Millions)	FY2025-Q1	FY2024-Q1	B/(W)
Unit Volume	2,130	2,129	1
Unit Backlog	4,395	4,570	(175)
Net Revenue	\$313.9	\$317.7	\$(3.8)
<i>Bus Rev./Unit (\$000's)</i>	<i>\$135.3</i>	<i>\$137.8</i>	<i>\$(2.5)</i>
Gross Margin	19.2%	20.0%	(0.8) pts
Adj. EBITDA ¹	\$45.8	\$47.6	\$(1.8)
Adj. EBITDA Margin ¹	14.6%	15.0%	(0.4) pts
Adj. Net Income ¹	\$30.6	\$29.7	\$0.9
Adj. Diluted EPS ¹	\$0.92	\$0.91	\$0.01



Strong Gross Margins and EBITDA despite expected USW labor cost impact and lower EV mix

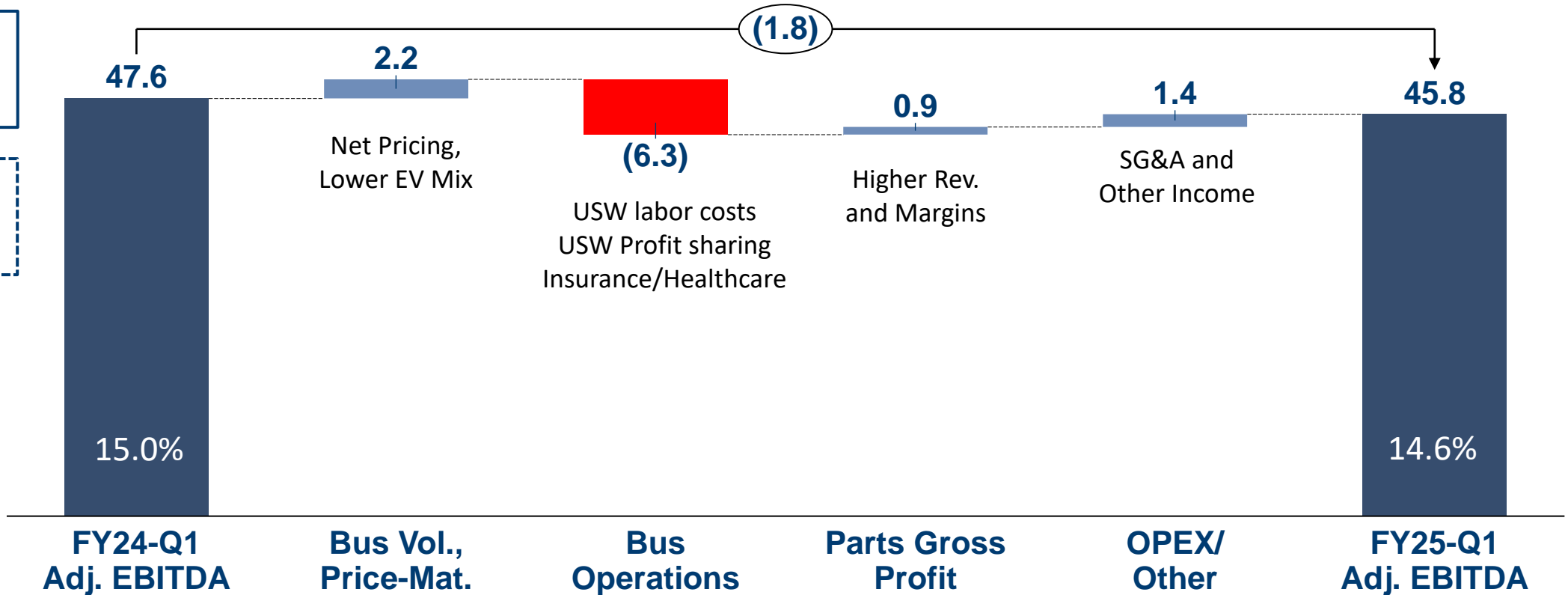
¹See appendix for additional detail regarding non-GAAP measures

FY24-Q1 to FY25-Q1 Adj. EBITDA Walk

(\$ Millions)

Unit Volumes	
FY24-Q1	2,129
FY25-Q1	2,130
Delta	1

t/o EV Volumes	
FY24-Q1	206
FY25-Q1	132
Delta	(74)



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Strong Gross Margins and EBITDA despite expected USW labor cost impact and lower EV mix

See appendix for additional detail regarding non-GAAP measures

Balance Sheet and Cash Flow

(\$ Millions)	FY2025-Q1	FY2024-Q1	B/(W)
Cash	\$136.1	\$77.3	\$58.8
Debt	\$(93.8)	\$(134.7)	\$40.9
Liquidity	\$279.4	\$184.3	\$95.1
Operating Cash Flow	\$26.4	\$0.2	\$26.2
Adj. Free Cash Flow ¹	\$21.8	\$(1.5)	\$23.3
Trade Working Capital*	\$4.3	\$(28.8)	\$33.1

Stock Buyback of \$10M executed in FY25-Q1 (cumulative \$20M completed, with \$40M to go)



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* Inventories, accounts receivable and accounts payable

¹See appendix for additional detail regarding non-GAAP measures

Adj. EBITDA Reconciliation

Reconciliation of Net Income to Adjusted EBITDA

(in thousands of dollars)	Three Months Ended	
	December 28, 2024	December 30, 2023
Net income	\$ 28,722	\$ 26,150
Adjustments:		
Interest expense, net (1)	433	2,655
Income tax expense	8,693	8,446
Depreciation, amortization, and disposals (2)	4,243	4,210
Share-based compensation expense	2,506	2,051
Stockholder transaction costs	—	1,221
Loss on debt refinancing	—	1,558
Micro Bird Holdings, Inc. total interest expense, net; income tax expense or benefit; depreciation expense and amortization expense	1,156	1,395
Other	—	(82)
Adjusted EBITDA	\$ 45,753	\$ 47,604
Adjusted EBITDA margin (percentage of net sales)	14.6 %	15.0 %

- (1) Includes \$0.1 million for both fiscal periods, representing interest expense on operating lease liabilities, which are a component of lease expense and presented as a single operating expense in selling, general and administrative expenses on our Condensed Consolidated Statements of Operations.
- (2) Includes \$0.4 million and \$0.6 million for the three months ended December 28, 2024 and December 30, 2023, respectively, representing amortization charges on right-of-use lease assets, which are a component of lease expense and presented as a single operating expense in selling, general and administrative expenses on our Condensed Consolidated Statements of Operations.

Free Cash Flow Reconciliation

Reconciliation of Free Cash Flow to Adjusted Free Cash Flow

(in thousands of dollars)	Three Months Ended	
	December 28, 2024	December 30, 2023
Net cash provided by operating activities	\$ 26,410	\$ 217
Cash paid for fixed assets	(4,594)	(2,904)
Free cash flow	\$ 21,816	\$ (2,687)
Cash paid for stockholder transaction costs	—	1,221
Cash paid for other items	—	(82)
Adjusted free cash flow	21,816	(1,548)

Adjusted EPS Reconciliation

Reconciliation of Net Income to Adjusted Net Income

(in thousands of dollars)	Three Months Ended	
	December 28, 2024	December 30, 2023
Net income	\$ 28,722	\$ 26,150
Adjustments, net of tax benefit or expense (1)		
Share-based compensation expense	1,854	1,518
Stockholder transaction costs	—	904
Loss on debt modification	—	1,153
Other	—	(61)
Adjusted net income, non-GAAP	\$ 30,576	\$ 29,664

(1) Amounts are net of estimated tax rates of 26%.

Reconciliation of Diluted EPS to Adjusted Diluted EPS

	Three Months Ended	
	December 28, 2024	December 30, 2023
Diluted earnings per share	\$ 0.86	\$ 0.81
One-time charge adjustments, net of tax benefit or expense	0.06	0.10
Adjusted diluted earnings per share, non-GAAP	\$ 0.92	\$ 0.91
Adjusted weighted average dilutive shares outstanding	33,360,940	32,429,127

Investor Relations Contact Information

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