

Blue Bird Corporation

(Nasdaq: BLBD)

STIFEL

2016 Transportation & Logistics Conference

February 9-10, 2016

BLUE BIRD

A heritage of looking ahead.



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Director, Investor Relations

BLUE BIRD
A heritage of looking ahead.

Agenda

- School Bus Industry
- Blue Bird
  - Company Overview
  - Highlights
  - Product
- Future Growth & Profit Drivers
  - Industry Recovery
  - Propane Opportunity
  - New Products
  - International & Commercial Expansion
- Financials
- Why Invest



This presentation includes forward-looking statements, including statements regarding full-year guidance and seasonality, that are subject to risks that could cause actual results to be materially different. Those risks include, among others, matters we have noted in our latest earnings release and filings with the SEC. Blue Bird disclaims any obligation to update information in this presentation. Additional information regarding forward-looking statements and the use of Non-GAAP financial measures is presented in the Appendix to this presentation.

School Bus Industry Overview

School buses are America's largest mass transit system

550,000
school buses in operation in the U.S. and Canada transporting
26 MILLION KIDS
to school on a daily basis



2.5x
There are over 2.5 times more school buses on the road than transit buses, motor coaches, commercial airplanes and passenger rail cars combined

50x
Students are 50 times safer riding the school bus than driving themselves or riding with friends to school

School buses are an important part of America's infrastructure

Blue Bird Overview

- Leading independent designer and manufacturer of school buses
- Design, engineer, manufacture and sell school and specialty buses and distribute parts
- Over 1,800 Employees
  - Fabrication and assembly plants in Fort Valley, GA
  - Service parts distribution center in Delaware, OH
  - Type A small bus joint venture in Drummondville, Quebec
- Almost 90% of volume is sold through an exclusive dealer network supported by ~250 service locations throughout the U.S. and Canada
- Three Primary Brands in Market
  - Blue Bird
  - IC Bus (division of Navistar)
  - Thomas Built Bus (division of Freightliner)
- Financial Snapshot
  - FY2015 total revenue was $919 million with Adjusted EBITDA of $70 million
  - Buses: 94% of revenue with 11%+ gross margin
  - Parts: 6% of revenue with 36%+ gross margin

We design, build, sell and service the world's finest school bus

Blue Bird Highlights

- **Iconic and Fastest Growing School Bus Brand**
  - Bus sales volume (units) up more than 60% since 2010
  - North American market share of ~30% in 2015 is up 7 percentage points since 2010
- **Undisputed Leader in Alternative Fuel-Powered Bus Sales**
  - Sold ~6x more alternative-fuel buses than all competitors combined since 2010
  - Propane-powered buses is the fastest growing powertrain segment in market and Blue Bird is the clear leader
  - Achieved double-digit sales growth of propane-powered buses in FY2015
- **Significant Upside Potential**
  - Mid-stage of school bus industry rebound following trough in 2011
  - Big growth opportunity with propane-powered buses as only 478 customers out of over 10,000 have purchased propane to date
  - Significant momentum on product with focus on affordable and exclusive differentiation
  - Longer term opportunity to achieve more substantial international and commercial sales
- **Experienced and committed management team that delivers results**

Solid business with a track record of growing and delivering results

Product-Focused Company

Full Product Range

“Build the Best Bus”

- Expansive & innovative product cycle plans
- Leader in alternative fuels
- Exclusive engine offerings
- Differentiated product features
- Research-driven product enhancements
- Extensive aftersales service and support



Type C Buses
66% Net Sales



Type D Buses
22% Net Sales



Type A Buses
Unconsolidated Joint Venture



Specialty Buses
5% Net Sales

Aftermarket Parts
6% Net Sales

Broadest product range with many exclusive features

Note: Total does not sum precisely due to rounding

Product Leadership

Product Attributes Ranked in Order of Importance[1]	Blue Bird	Competitor A	Competitor B
#1 Safety	✓	--	--
#2 Quality, Reliability and Durability	✓	--	--
#3 Operating Costs	✓	--	--
#4 Acquisition Cost	--	✓	--
#5 How the Bus Drives	✓	--	--

[1] Checkmarks/Corporate Logo indicate leadership in category

Blue Bird viewed as the leader in four of the five top attributes

Source: Freedonia Custom Research, Inc. 9/4/2013 (study commissioned by Blue Bird)

Future Growth & Profit Drivers

Industry Volume Upside

School Bus Market Recovery

+

Market Share Growth

Increasing Propane Penetration
Continuous Product Enhancements
Dealer Network Improvements

+

Higher Operating Margins

Second Shift
Drive Productivity
Deliver Parts Growth

+

New Markets & Products

International & Commercial Buses

=

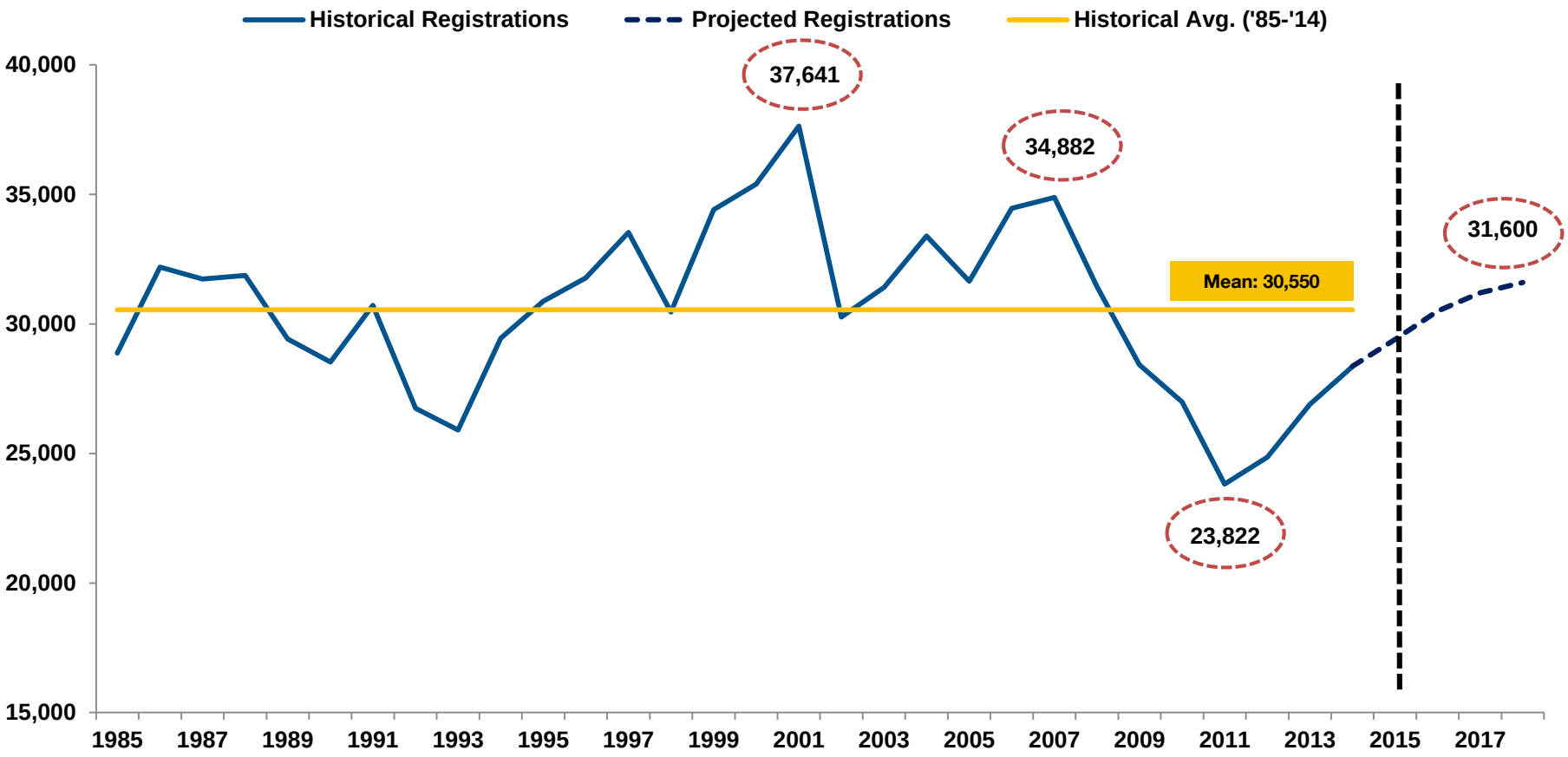
Future Growth & Profitability

Long-Term Financial Objective:
EBITDA 10% of Sales

Build on track record of profitable growth

School Bus Market Recovery

Type C/D School Bus Recovery

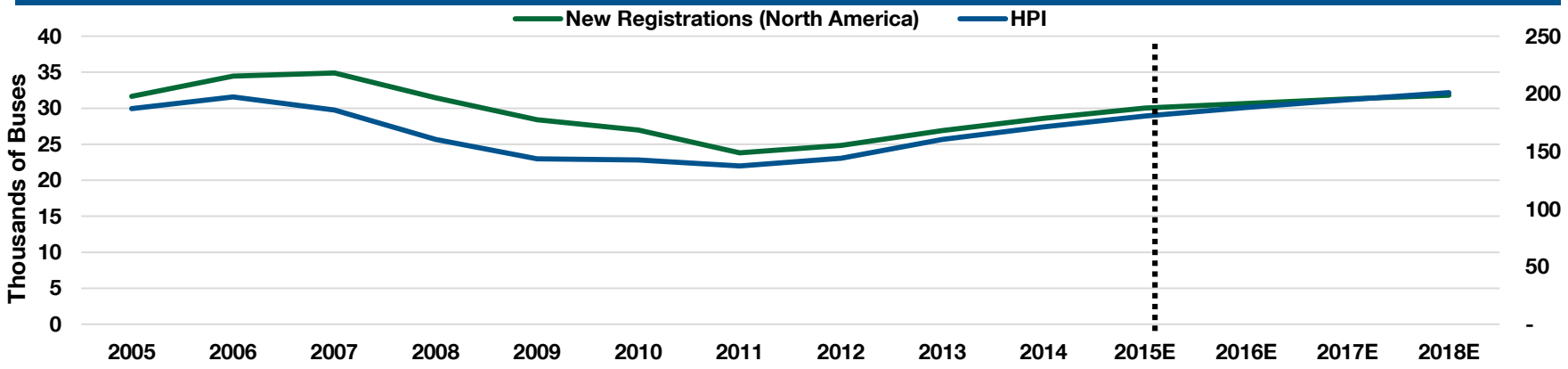


Source: Historical results are based on RL Polk vehicle registration data, and the estimated 2014-2016 periods are based on Blue Bird management's forecast model, which takes into account RL Polk vehicle registration data, population of school age children forecasts from the National Center for Education Statistics and bus ridership data collected and published by an industry magazine (School Transportation News)

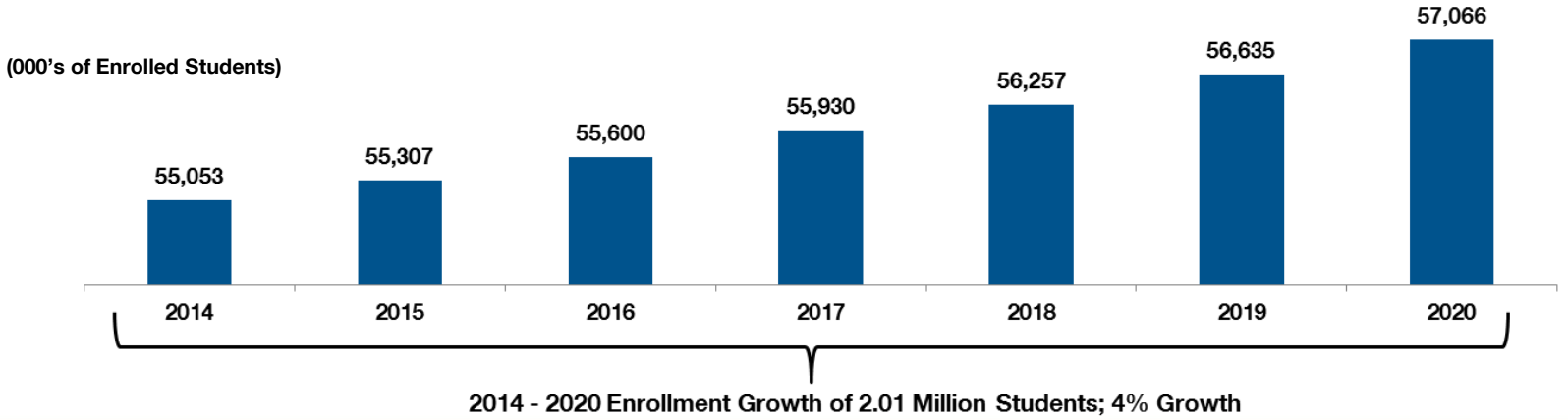
Housing price recovery and aged fleet driving industry growth

Positive Industry Outlook

North American New Registrations vs. CoreLogic Housing Price Index



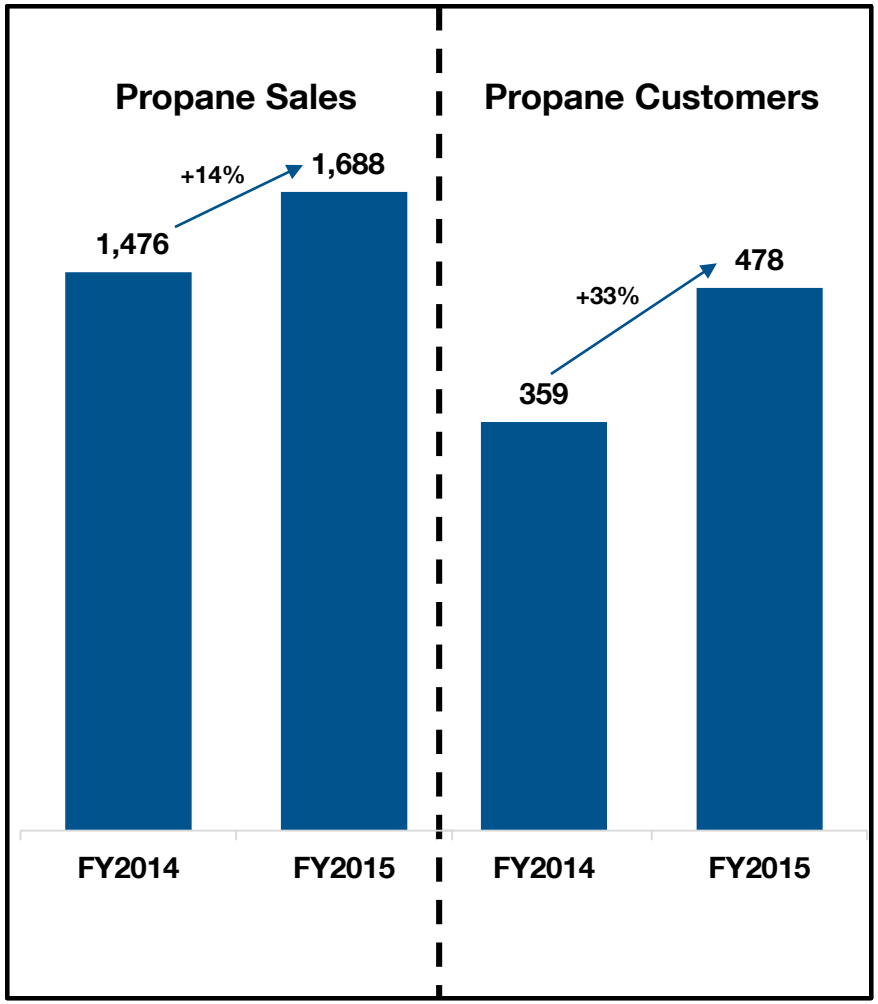
Total Projected U.S. Enrollment



Property taxes are a key funding source for school bus purchases and are related to housing values

*HPI data from CoreLogic, normalized to Jan of 2005

Continued Propane Momentum



Propane Market Leadership

- 14% unit volume growth over FY2014
- 33% increase in propane customers over FY2014
- 6x more propane-powered buses registered than other manufacturers[1]
- Highest owner loyalty product in the market[1]

Propane Advantages

- Lowest total cost of ownership
- Proven durability & performance
- Environmentally friendly
- Domestically produced fuel
- Great cold weather starting performance
- Designed-in safety features

Exclusive Ford/ROUSH Relationships

- Offerings exclusive to Blue Bird
- Dedicated field support from ROUSH

Strong growth with significant upside for customer penetration

[1] Based on FY2015 R.L. Polk registration data

Positive Press on Propane Cost Savings

"Broward County saves over $600,000 with Blue Bird propane-powered buses"

School Transportation News
August 14, 2015

"Washingtonville Central School District maintenance costs drop 30%with propane-powered buses"

New York State School Boards Association
April 27, 2015

"DeKalb County adds environmentally-friendly propane school buses"

- *Propane is much cheaper (than diesel), at 89 cents a gallon*
- *The district has 60 buses in its fleet, replacing five of them each year. So, eventually it hopes to have all the buses transitioned over to propane*

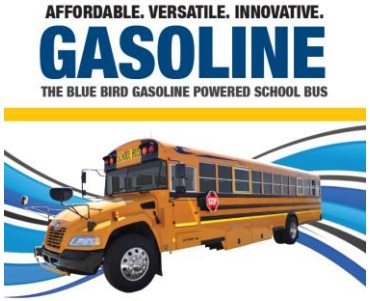
News Channel 15 wane.com
August 4, 2015



Propane-powered Vision sales growing at double-digit rate

Launching Four New Powertrains

Gasoline Engine



BUILT Ford TOUGH™ ROUSH CLEANTECH

- Blue Bird is the only manufacturer to offer a Type C gasoline-powered school bus
- Lower acquisition cost than other fuel types
- Maintenance and service is simpler for technicians
- Strong cold-weather starting capability
- Utilizes Ford's modern 6.8L V10 gasoline engine
- Blue Bird exclusive

V8 Diesel Engine



- Blue Bird is the only manufacturer to offer the Cummins ISV 5.0L V8 diesel in a school bus
- Lower acquisition cost than other diesel offerings
- Improved fuel economy
- Quietest diesel engine on the road
- Better serviceability

CNG Engine



BUILT Ford TOUGH™ ROUSH CLEANTECH

- Lower acquisition cost than Type D CNG-powered school bus
- Lower fuel and maintenance cost than diesel
- Environmentally friendly
- Utilizes Ford's modern 6.8L V10 engine
- Blue Bird exclusive

Dual-Clutch 7- Speed Transmission



EATON

- First dual-clutch, seven-speed automatic transmission available for school buses in North America
- Electronic shifting provides optimal fuel efficiency and smooth, continuous delivery of torque
- Accelerates and optimizes shift points
- Adds features that make bus easier to drive

Industry leader in breadth of powertrain offerings

New Markets & Products

- **New Blue Bird team assembled to focus on international and commercial operations**
  - **Expand into new international markets**
  - **Expand commercial bus business in North America**
- **Continue to be preferred vehicle choice for U.S. Government General Services Administration (GSA)**







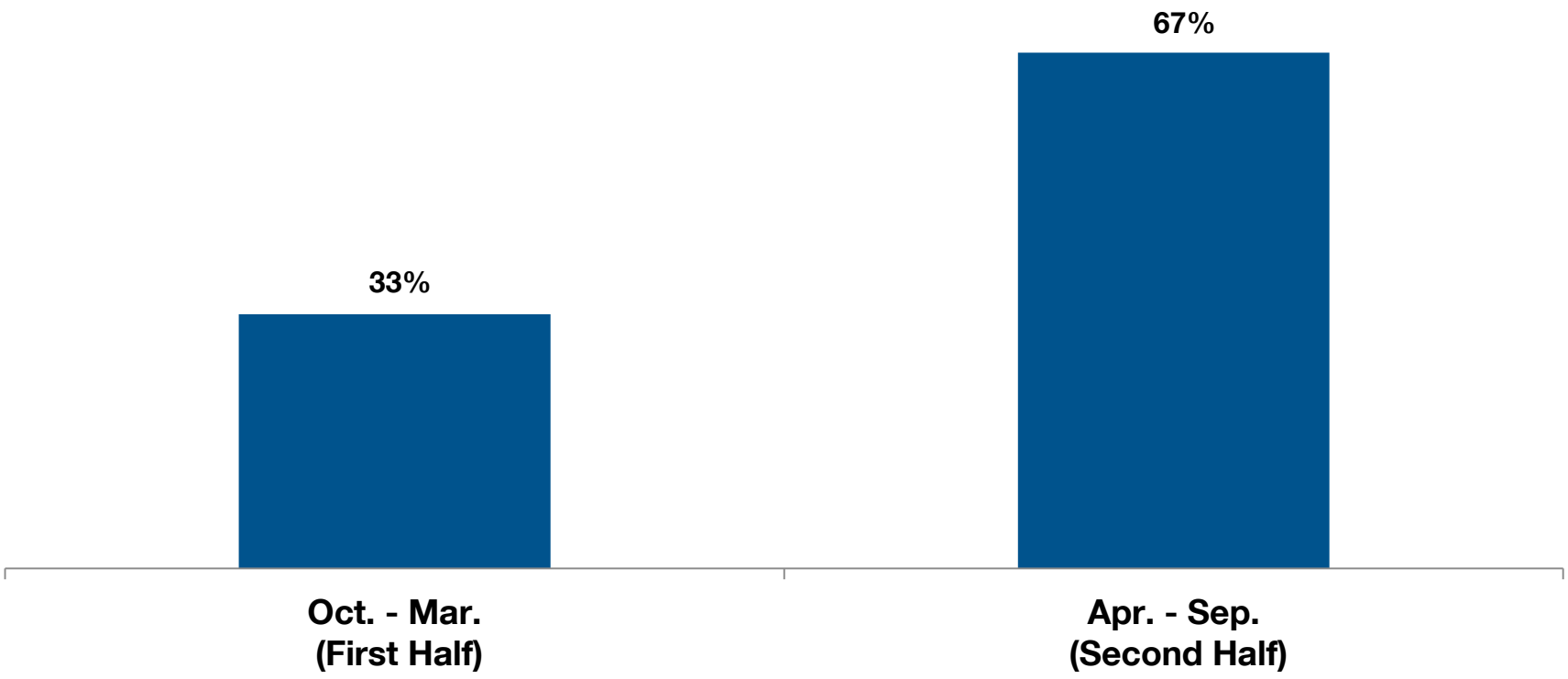
Pursuing opportunities beyond the school bus industry

Very Seasonal Business

Industry New School Bus Registrations

Based on 3-Year Average

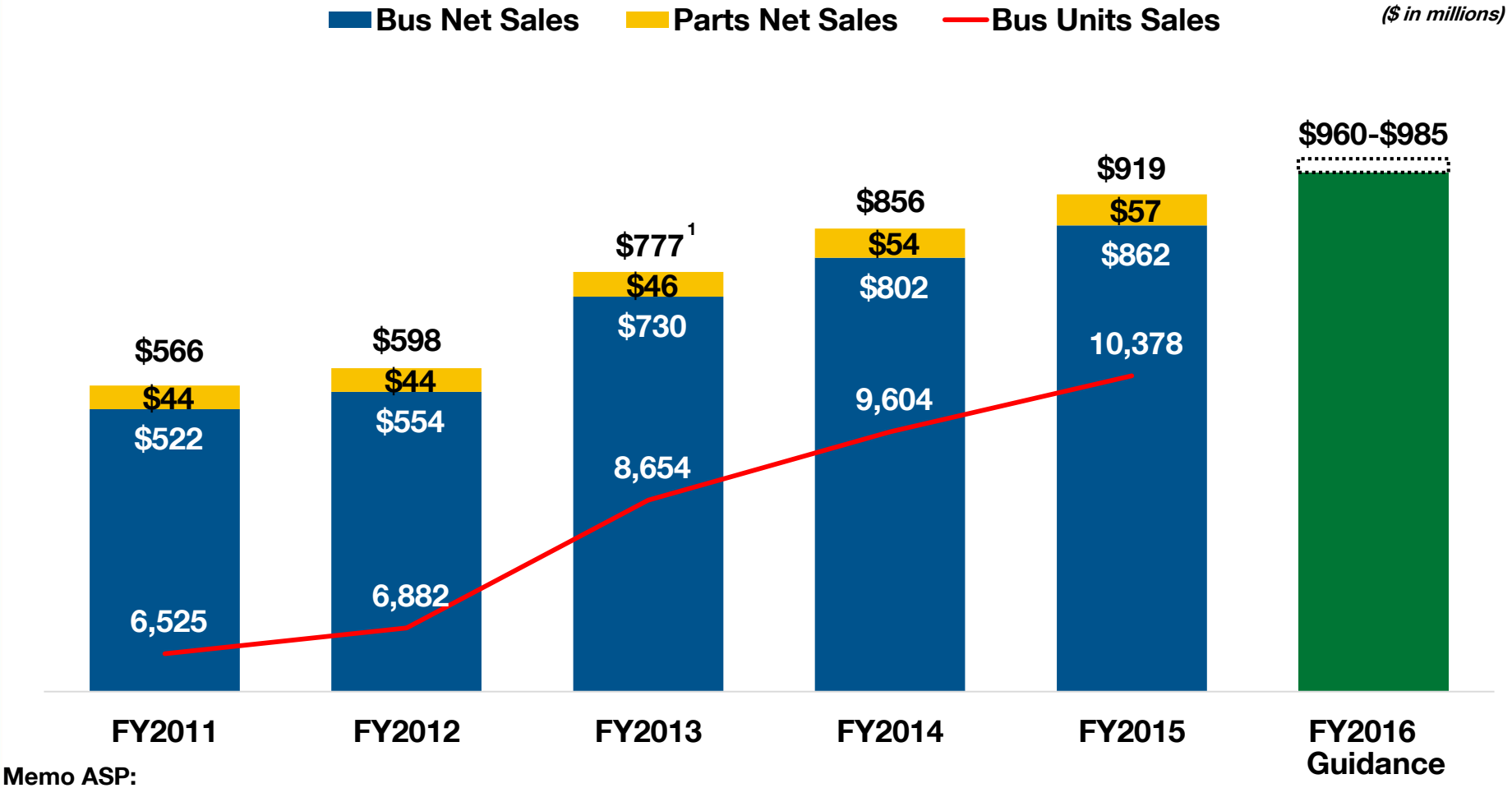
FY2013-FY2015*



School districts generally prefer to take delivery just prior to start of new school year

* RL Polk registration data

Substantial Revenue Growth



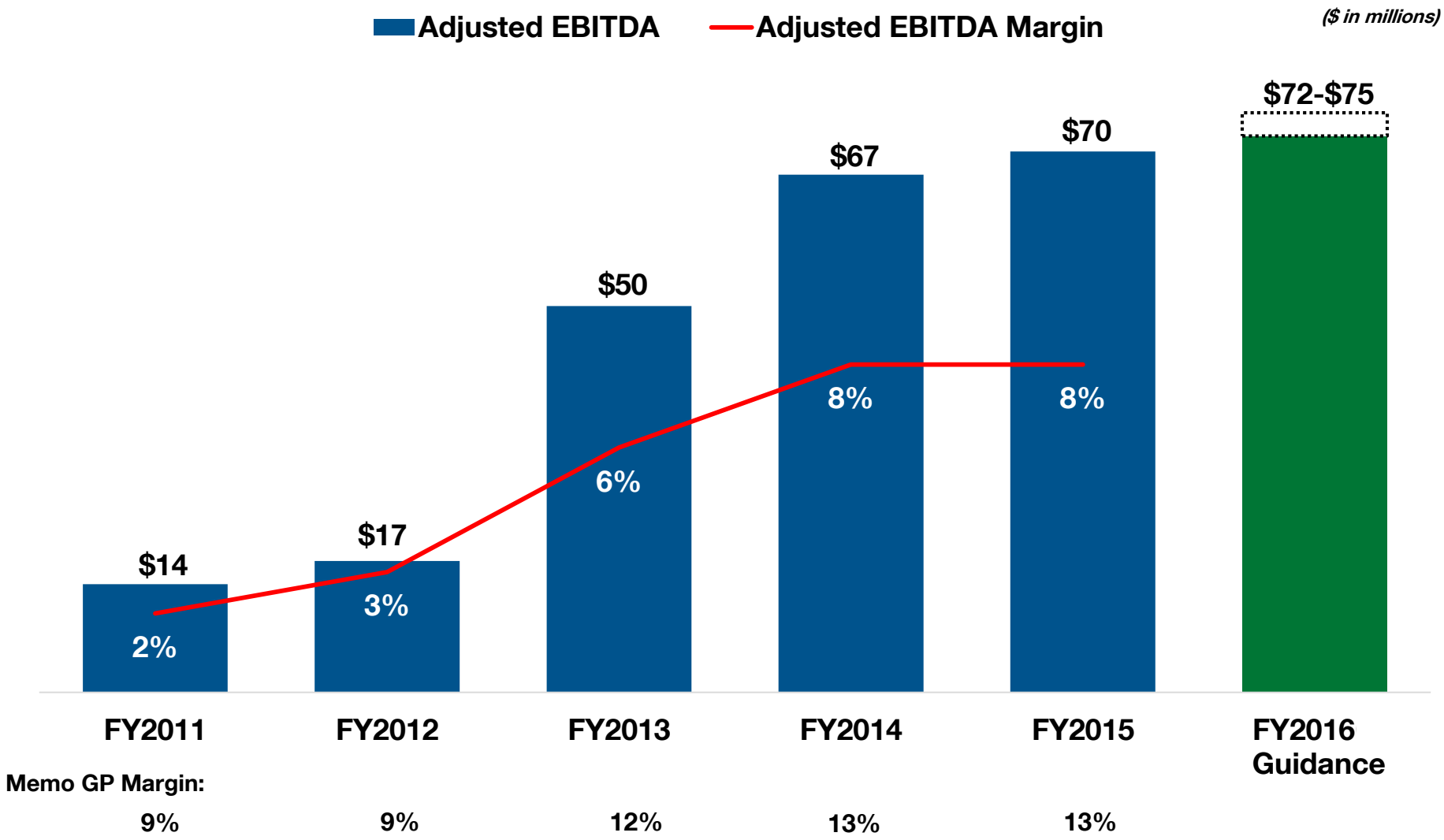
Memo ASP:
($ in thousands)

	FY2011	FY2012	FY2013	FY2014	FY2015
Total:	$87	$87	$90	$89	$89
Bus Only:	$80	$81	$84	$84	$83

Consistent improvement

[1] Total does not sum precisely due to rounding

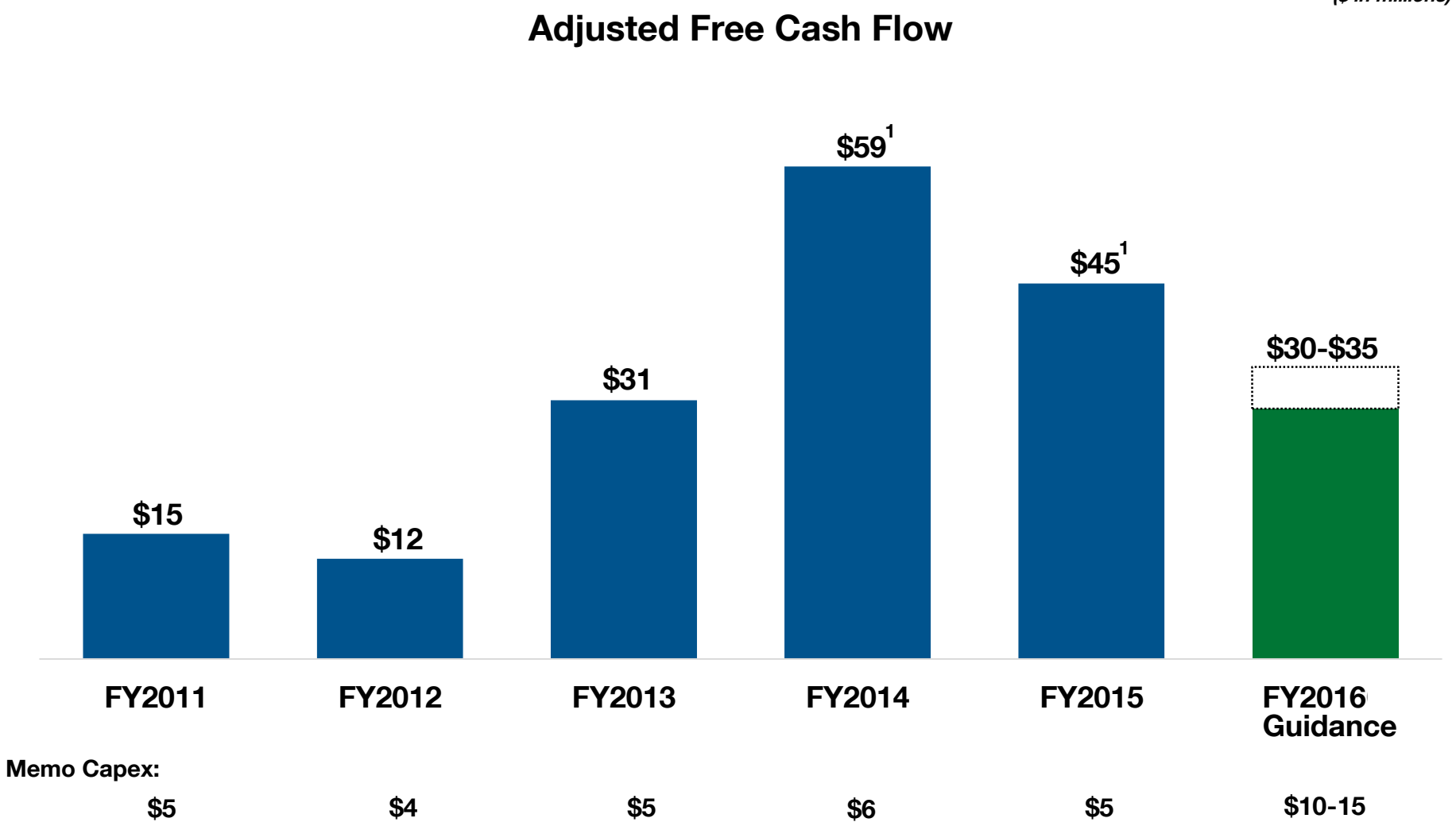
Impressive Profit Growth



Consistent improvement with 3-5 year target of 10% of revenue

Strong Cash Flow Generation

($ in millions)



Business generates strong free cash flow

[1]Adjusted for Business Combination Expenses of $2M and $13M and Special Compensation Payments of $25M and $14M in FY2014 and FY2015, respectively

FY2016 1Q Results Overview

1Q Overview

- **1Q Consistent with Plan**
  - Softer quarter, as expected, with more units planned in the Second Half in alignment with natural customer demand; enabled by the launch of our new second shift
  - Total net sales revenue down 21% from last year
  - Gross margins of 14.3% in the quarter were up 2.6 points versus prior year, supported by favorable product and customer mix
  - Adjusted EBITDA of $5 million was down $2 million compared with last year, driven primarily by lower volumes

Positive News

- **Propane Momentum**
  - Unit volume 72% higher than last year and number of new customers trying propane continues to grow
  - Strong propane mix at 27% of sales in 1Q compared with 12% of sales for the same period last year
- **Quotes & Conversions**
  - Quote activity up 97% over prior year for September through January
  - Quote to order conversions tracking higher than prior year
  - Order placement taking longer than normal resulting in more expected bid awards in Second Half
  - High quote volume supports positive outlook for the year
- **Second Shift**
  - Currently ramping up second shift which will result in daily production capacity that is more than 50% higher than last year by summer

Expectations

- **Full Year**
  - Business is tracking in line with our Plan and we are reaffirming FY2016 full-year Guidance

1Q lower than FY2015 as expected; reaffirming full-year Guidance

Net Debt, Leverage & Liquidity

($ Millions)	As of January 2, 2016
Debt	$ 194.9
Cash	16.6
Net Debt	$ 178.3
Net Debt / Adjusted EBITDA (LTM)	2.6x
Net Leverage Ratio (compared to minimum bank Net Leverage Ratio covenant of 4.5x)	2.5x
Liquidity[1]	$ 61.5

[1] Liquidity is defined as cash and cash equivalents plus availability on revolving line of credit

Exceeding debt covenant; liquidity strong



WRAP-UP

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Great Time to Invest in Blue Bird!!

- **Fundamentals are strong**
  - Excellent sales momentum
  - Industry recovering
  - Big growth opportunity with propane
  - Exciting new products launching
  - Financial stability
  - Outstanding free cash flow
  - Not difficult to understand
  - Only three competitors
  - High barriers to entry
  - Lots of great ideas for future growth



- **Timing is Right**
  - More investors starting to get interested
  - Trading at a discount to comp multiples
  - Additional analysts looking at picking up coverage
  - Opportunity to build a position before the stock is more broadly discovered

Covering analysts have rated BLBD
"Buy" and "Outperform" with a $14 price target



Q&A

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Appendix

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FY2015 Year-End Balance Sheet

BLUE BIRD CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands except for share data)	As of October 3, 2015	As of September 27, 2014
Assets		
Current assets		
Cash and cash equivalents	$ 52,861	$ 61,137
Accounts receivable, net	13,746	21,215
Inventories	49,180	71,300
Other current assets	3,960	4,353
Deferred tax asset	9,150	6,057
Total current assets	$ 128,897	$ 164,062
Property, plant and equipment, net	28,933	29,949
Goodwill	18,825	18,825
Intangible assets, net	60,378	62,240
Equity investment in affiliate	12,505	9,871
Deferred tax asset	15,466	4,073
Other assets	2,899	2,913
Total assets	$ 267,903	$ 291,933
Liabilities and Stockholders' Deficit		
Current liabilities		
Accounts payable	$ 79,333	$ 94,294
Accrued warranty costs	7,418	6,594
Accrued expenses	22,980	37,319
Deferred warranty income	4,862	4,117
Other current liabilities	7,072	5,668
Current portion of senior term debt	11,750	11,750
Total current liabilities	$ 133,415	$ 159,742
Long-term liabilities		
Long-term debt	$ 176,596	$ 211,118
Accrued warranty costs	10,243	8,965
Deferred warranty income	9,283	7,886
Other liabilities	13,169	12,136
Accrued pension liability	46,427	40,881
Total long-term liabilities	$ 255,718	$ 280,986
Guarantees, commitments and contingencies (Note 11)		
Stockholders' deficit		
Series A preferred stock, $.0001 par value, 10,000,000 shares authorized, 500,000 issued at October 3, 2015 and liquidation preference of $50,000	$ 50,000	$ —
Common stock, $0.0001 par value, 100,000,000 shares authorized, 20,874,882 and 22,000,000 issued and outstanding at October 3, 2015 and September 27, 2014, respectively.	2	2
Additional paid-in capital	15,887	—
Accumulated deficit	(135,345)	(102,229)
Accumulated other comprehensive loss	(51,774)	(46,568)
Total stockholders' deficit	$ (121,230)	$ (148,795)
Total liabilities and stockholders' deficit	$ 267,903	$ 291,933

FY2015 Income Statement

BLUE BIRD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)

	For the fiscal year		
(in thousands except for share data)	**2015**	**2014**	**2013**
Net sales	$ 919,128	$ 855,735	$ 776,558
Cost of goods sold	798,733	746,362	684,109
Gross profit	$ 120,395	$ 109,373	$ 92,449
Operating expenses			
Selling, general and administrative expenses	84,561	91,445	65,332
Operating profit	$ 35,834	$ 17,928	$ 27,117
Interest expense	(19,078)	(6,156)	(2,371)
Interest income	113	102	214
Other income, net	—	72	96
Income before income taxes	$ 16,869	$ 11,946	$ 25,056
Income tax (expense) benefit	(4,442)	(10,441)	27,544
Equity in net income of non-consolidated affiliate	2,634	1,210	1,767
Income from continued operations	$ 15,061	$ 2,715	$ 54,367
(Loss) income from discontinued operations, net of tax	(129)	42	(159)
Net income	$ 14,932	$ 2,757	$ 54,208
Defined benefit pension plan (loss) gain, net of tax of $3,045, $2,326 and $5,709, respectively	(5,206)	(4,150)	10,196
Comprehensive income (loss)	$ 9,726	$ (1,393)	$ 64,404
Net income (from above)	$ 14,932	$ 2,757	$ 54,208
Preferred stock dividend	$ (2,247)	$ —	$ —
Net income available to common stockholders	$ 12,685	$ 2,757	$ 54,208
Earnings per share:			
Basic weighted average shares outstanding	21,182,885	22,000,000	22,000,000
Basic earnings per share	$ 0.60	$ 0.13	$ 2.46
Diluted weighted average shares outstanding	25,497,602	22,000,000	22,000,000
Diluted earnings per share	$ 0.59	$ 0.13	$ 2.46

FY2015 Consolidated Statement of Cash Flows

BLUE BIRD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	For the fiscal year 2015	2014	2013
Cash flows from operating activities			
Net income	$ 14,932	$ 2,757	$ 54,208
Loss (income) from discontinued operations, net of tax	129	(42)	159
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	8,790	9,898	11,808
Debt amortization/ Non-cash interest expense	3,010	1,301	1,526
Share-based compensation	1,622	—	—
Equity in net income of affiliate	(2,634)	(1,210)	(1,767)
Loss (gain) on disposal of fixed assets	510	(67)	36
Deferred taxes	(8,626)	3,239	(27,611)
Recognition of uncertain tax position	—	6,390	—
Provision for bad debt	34	(9)	21
Amortization of deferred actuarial pension losses	3,567	2,804	4,233
Changes in assets and liabilities			
Accounts receivable	7,435	(7,713)	(4,178)
Inventories	22,120	(8,697)	(7,244)
Other assets	(137)	(1,415)	1,315
Accounts payable	(12,905)	18,080	6,889
Accrued expenses, pension and other liabilities	(14,352)	12,096	(3,414)
Total adjustments	$ 8,434	$ 34,697	$ (18,386)
Net cash provided by continuing operations	$ 23,495	$ 37,412	$ 35,981
Net cash used in discontinued operations	(129)	(568)	(661)
Total cash provided by operating activities	$ 23,366	$ 36,844	$ 35,320
Cash flows from investing activities			
Change in net investment in discounted leases	$ —	$ 778	$ 563
Cash paid for fixed assets	(5,190)	(5,535)	(4,945)
Proceeds from sale of assets	—	102	—
Restricted cash	—	1,206	—
Total cash used in investing activities	$ (5,190)	$ (3,449)	$ (4,382)
Cash flows from financing activities			
Net borrowings under the senior credit facility	$ —	$ (71)	$ 71
Borrowings under the senior term loan	—	235,000	12,988
Repayments under the senior term loan	(36,750)	(13,000)	(35,000)
Cash paid for capital leases	(142)	(535)	(907)
Cash paid for debt costs	(3,110)	(12,647)	(111)
Contribution from majority stockholder	13,550	—	—
Payment of dividend	—	(226,821)	—
Change in advances collateralized by discounted leases	—	(778)	(563)
Total cash used in financing activities	$ (26,452)	$ (18,852)	$ (23,522)
Change in cash and cash equivalents	(8,276)	14,543	7,416
Cash and cash equivalents at beginning of period	61,137	46,594	39,178
Cash and cash equivalents at end of period	$ 52,861	$ 61,137	$ 46,594

FY2015 Cash Flow Reconciliations

The following table sets forth the reconciliations of both Free Cash Flow and Adjusted Free Cash Flow for fiscal years 2013, 2014 and 2015:

(in thousands of dollars)	2015	2014	2013	Memo: 4Q2015
Net cash provided by continuing operations	$ 23,495	$ 37,412	$ 35,981	$ 55,129
Cash paid for fixed assets	(5,190)	(5,535)	(4,945)	(1,763)
Free cash flow	$ 18,305	$ 31,877	$ 31,036	$ 53,366
Cash paid for special compensation payment	13,788[1]	24,679	-	-
Cash paid for business combination expenses	12,545	2,326	-	-
Adjusted free cash flow	$ 44,638	$ 58,882	$ 31,036	$ 53,366

[1]Primarily funded by a $13.6 million capital contribution from our majority stockholder at the Business Combination

FY2015 Adjusted EBITDA Reconciliation

The following table sets forth a reconciliation of Net Income to Adjusted EBITDA for the three-month and years ended October 3, 2015 and September 27, 2014:

(in thousands of dollars)	Three Months Ended October 3, 2015	Three Months Ended September 27, 2014	Twelve Months Ended October 3, 2015	Twelve Months Ended September 27, 2014
Net income	$ 15,972	$ (875)	$ 14,932	$ 2,757
(Loss) income from discontinued operations, net of tax	(125)	180	(129)	42
Income from continuing operations	$ 16,097	$ (1,055)	$ 15,061	$ 2,715
Interest expense, net	4,531	4,888	18,965	6,054
Income tax expense	4,432	1,726	4,442	10,441
Depreciation and amortization	2,144	2,501	8,790	9,898
Special compensation payment	—	—	13,788	24,679
Management incentive compensation	—	1,384	—	3,271
Business combination expenses	316	9,153	5,318	9,326
Share-based compensation	1,148	—	1,635	—
Public company expenses	340	—	1,356	—
Other*	—	407	469	407
Adjusted EBITDA	$ 29,008	$ 19,004	$ 69,824	$ 66,791
Adjusted EBITDA margin (percentage of net sales)	9.4%	6.9%	7.6%	7.8%

*Fiscal year 2015 amount reflects a loss on disposal of fixed assets. Fiscal year 2014 amount reflects an immaterial out-of-period adjustment increasing cost of goods sold.

FY2015 Net Income to Adjusted Net Income

The following table sets forth a reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income from Continuing Operations Available to Common Stockholders for the three-month and years-ended October 3, 2015 and September 27, 2014:

(in thousands of dollars)	Three Months Ended October 3, 2015	Three Months Ended September 27, 2014	Twelve Months Ended October 3, 2015	Twelve Months Ended September 27, 2014
Net income	$ 15,972	$ (875)	$ 14,932	$ 2,757
Less: Preferred stock dividend	(1,008)	—	(2,247)	—
Net income (loss) available to common stockholders	$ 14,964	$ (875)	$ 12,685	$ 2,757
Adjustments net of tax impact				
Special compensation payment	—	—	8,962	16,041
Management incentive compensation (a)	—	900	—	2,126
Discontinued operations	(125)	180	(129)	42
Business combination	205	5,950	3,457	6,062
Public company expenses	221	—	881	—
Loss on disposal of fixed assets	—	—	305	—
Total adjustments	$ 301	$ 7,030	$ 13,476	$ 24,271
Adjusted net income from continuing operations available to common stockholders	$ 15,265	$ 6,155	$ 26,161	$ 27,028
Adjusted net income from continuing operations available to common stockholders - Diluted EPS numerator	$ 16,273	$ 6,155	$ 28,408	$ 27,028

Note: Marginal tax rate of 35%

(a) Represents incentive compensation paid to officers in excess of a related accrual (typically recorded at 100% target level) due to over-performance relative to budget. This adjustment excludes the amount of the accrual above 200% of the target level.

FY2015 Adjusted Non-GAAP Diluted EPS

The following table sets forth a reconciliation of GAAP Diluted EPS to Non-GAAP Adjusted Diluted EPS for the three-month and years ended October 3, 2015 and September 27, 2014:

	Three Months Ended October 3, 2015	Three Months Ended September 27, 2014	Twelve Months Ended October 3, 2015	Twelve Months Ended September 27, 2014
GAAP diluted earnings (loss) per share	$ 0.63	$ (0.04)	$ 0.59	$ 0.13
Add Preferred Stock dividend	*	—	*	—
Adjustments net of tax impact				
Special compensation payment	—	—	0.35	0.73
Management incentive compensation (a)	—	0.04	—	0.10
Discontinued operations	—	0.01	(0.01)	—
Business combination	0.01	0.27	0.14	0.28
Public company expenses	0.01	—	0.03	—
Loss on disposal of fixed assets	—	—	0.01	—
Adjusted non-GAAP diluted earnings per share	$ 0.65	$ 0.28	$ 1.11	$ 1.24
Shares used in computing adjusted diluted earnings per share	25,453,687	22,000,000	25,497,602	22,000,000

*Already included in the diluted earnings per share numerator in this period

(a) Represents incentive compensation paid to officers in excess of a related accrual (typically recorded at 100% target level) due to over-performance relative to budget. This adjustment excludes the amount of the accrual above 200% of the target level.

FY2015 Segment Revenue and Gross Profit

Net Sales by Segment	2015	$ and % Increase (Decrease)		2014
Bus	$ 861,665	$ 59,828	7.5 %	$ 801,837
Parts	57,463	3,565	6.6 %	53,898
Total	$ 919,128	$ 63,393	7.4 %	$ 855,735

Gross Profit by Segment:	2015	$ and % Increase (Decrease)		2014
Bus	$ 99,341	$ 10,026	11.2 %	$ 89,315
Parts	21,054	996	5.0 %	20,058
Total	$ 120,395	$ 11,022	10.1 %	$ 109,373

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 in this press release 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 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**

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 Hennessy Capital Acquisition Corp. or 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 includes the following non-GAAP financial measures: "Adjusted EBITDA," "Adjusted Net Income," "Adjusted Diluted Earnings per Share," "Free Cash Flow" and "Adjusted Free Cash Flow." Adjusted EBITDA is defined as net income prior to interest income, interest expense and other expense, net and income taxes, and depreciation and amortization, as adjusted to add back certain charges recorded each year, such as stock-compensation expense and transaction costs, as these expenses are not considered an indicator of ongoing company performance. Adjusted Net Income is defined as Net Income, as adjusted to add back certain transaction costs not considered an indicator of ongoing company performance. Adjusted Diluted Earnings per Share represents adjusted income (loss) from continuing operations divided by diluted weighted average common shares outstanding. Adjusted Net Income from continuing operations and Adjusted Diluted Earnings per Share are calculated net of taxes. Free cash flow represents net cash provided by continuing operations minus cash paid for fixed assets. Adjusted Free Cash Flow represents Free Cash Flow excluding cash paid for special compensation and other business combination expenses.

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. This presentation includes schedules that reconcile Adjusted EBITDA, Adjusted Net Income and Adjusted Diluted Earnings per Share to GAAP measures.



END

BLUE BIRD

A heritage of looking ahead.