



BLUE BIRD[®]

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

**FY2024 Fourth Quarter &
Full Year Results**

Earnings Conference Call
November 25, 2024



BLUE BIRD

Agenda

**Introductions &
Forward-Looking Statements**

Mark Benfield
Executive Director, Investor Relations

Key Results and Highlights

Phil Horlock
President & CEO

Financial Results

Razvan Radulescu
CFO

Outlook

Phil Horlock
President & CEO

Q&A

Group



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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 the use of non-GAAP financial measures is presented in the Appendix to this presentation.

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.” Additional information on the calculation of some of these terms is included in the Appendix.

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.





KEY RESULTS & HIGHLIGHTS

Phil Horlock
President & CEO

Key FY2024 Takeaways: All-Time Record Year



Record Profit; Beat Full Year Guidance and Raised Long-Term Outlook



Robust Market Demand, Increasing Order Share and Continuing Strong Backlog



Supply Chain Largely Stable; Highly Engaged with Two Key Constrained Suppliers



Substantially Higher Bus Price Compared with Last Year and Competitive with Market



EV Production and Backlog Increasing; Undisputed Leader in Alternative Power



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



Significantly Improved Plant Operational Performance with More Stability

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



FY2024 Financial Results and Key Business Highlights

FY2024 Results

UNITS
SOLD

9,000

↑ +486 vs. '23

NET
SALES

\$1,347M

↑ +\$214M vs. '23

Adjusted
EBITDA

\$183M

↑ +\$95M vs. '23

Adjusted
FCF

\$99M

\$(22)M vs. '23

BUSINESS HIGHLIGHTS



Strong
\$735M
Backlog of
4.8k Units¹

Average Bus
Selling Price
+14%
YoY



Parts Sales of
\$104M;
6% YoY increase



Alt. Power sales
mix of 58%

EV
bookings
+29% YoY



\$200M+
of EV's in
firm order Backlog¹



Signed first collective
bargaining agreement with
USW



Selected for
\$80M grant
from the DOE



Exclusivity
Extended to 2030
for Gas and Propane



Beat
FY24 Guidance

Revenue +\$31M
Adj. EBITDA +\$9M
Adj. FCF +\$14M
(at mid-point of range)



Record financial results – Adj. EBITDA of \$183M and 13.6% Margin



FINANCIAL RESULTS

Razvan Radulescu
CFO

FY2024 Q4 and Full Year Record Financial Results

FINANCIAL HIGHLIGHTS

FY2024 Q4 Results

UNITS
SOLD

2,466

+350 vs.'23

NET
SALES

\$350M

+\$47M vs.'23

Adjusted
EBITDA

\$41M

+\$1M vs.'23

Adjusted
FCF

\$50M

+\$15M vs.'23

FINANCIAL HIGHLIGHTS

FY2024 Full Year Results

UNITS
SOLD

9,000

+486 vs.'23

NET
SALES

\$1,347M

+\$214M vs.'23

Adjusted
EBITDA

\$183M

+\$95M vs.'23

Adjusted
FCF

\$99M

\$(22)M vs.'23



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See appendix for additional detail regarding non-GAAP measures

Fourth Quarter Income Statement

(\$ Millions)	FY24-Q4	FY23-Q4	B/(W)
Unit Volume	2,466	2,116	350
Unit Backlog	4,846	4,559	287
Net Revenue	\$350.2	\$303.0	\$47.2
<i>Bus Rev./Unit (\$000's)</i>	\$131.2	\$131.2	\$-
Gross Margin	17.0%	16.5%	50 bps
Adj. Net Income ¹	\$25.8	\$21.3	\$4.5
Adj. EBITDA ¹	\$41.3	\$40.7	\$0.6
Adj. EBITDA Margin ¹	11.8%	13.4%	(160) bps
Adj. Diluted EPS ¹	\$0.77	\$0.66	\$0.11

FY24-Q4 is the best quarter ever for Revenue, and best Q4 ever for Adj. EBITDA



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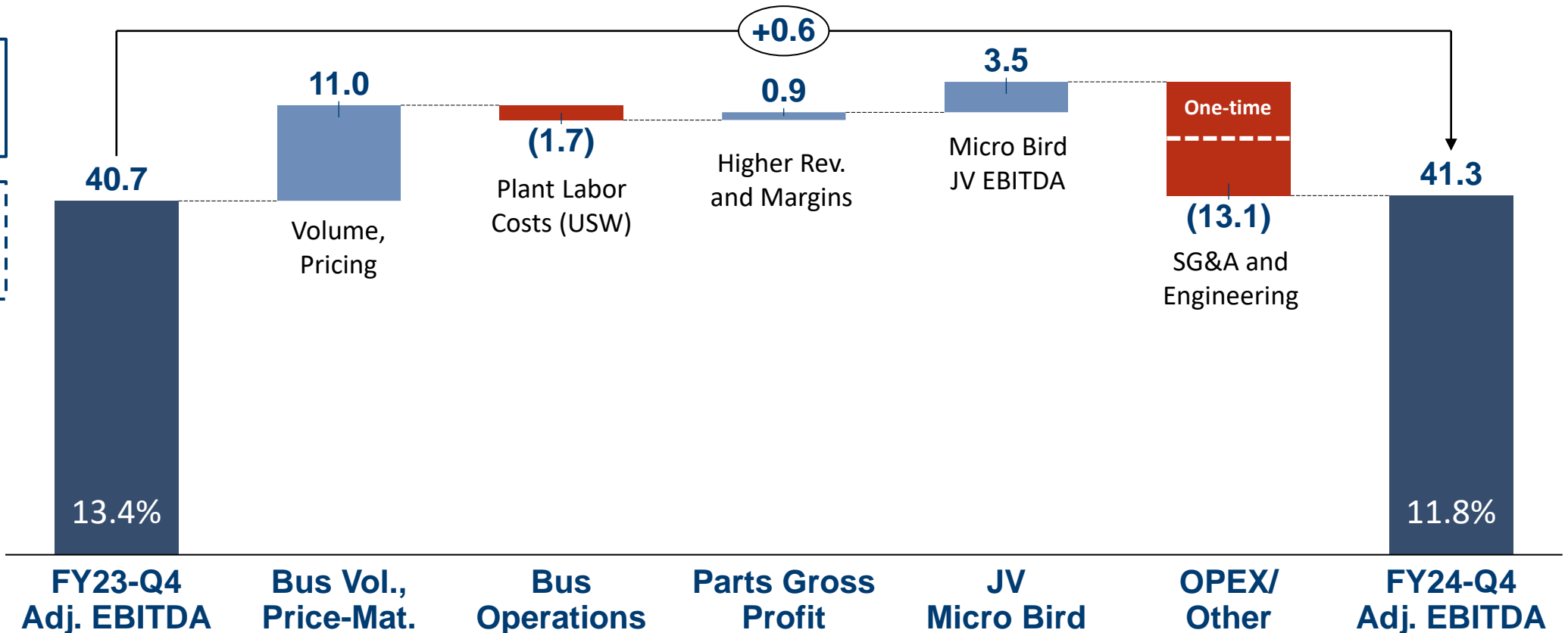
¹See appendix for additional detail regarding non-GAAP measures

FY23-Q4 to FY24-Q4 Adj. EBITDA Walk

Adj. EBITDA ¹
(\$M)

Unit Volumes	
FY23-Q4	2,116
FY24-Q4	2,466
Delta	350

t/o EV Volumes	
FY23-Q4	171
FY24-Q4	84
Delta	(87)



Significant improvements in Volume and Pricing, offsetting increases in SG&A and Engineering



¹ See appendix for additional detail regarding non-GAAP measures

Full Year Income Statement

(\$ Millions)	FY2024	FY2023	B/(W)
Unit Volume	9,000	8,514	486
Unit Backlog	4,846	4,559	287
Net Revenue	\$1,347.2	\$1,132.8	\$214.4
<i>Bus Rev./Unit (\$000's)</i>	<i>\$138.1</i>	<i>\$121.5</i>	<i>\$16.6</i>
Gross Margin	19.0%	12.3%	670 bps
Adj. Net Income ¹	\$115.3	\$34.5	\$80.8
Adj. EBITDA ¹	\$182.9	\$87.9	\$95.0
Adj. EBITDA Margin ¹	13.6%	7.8%	580 bps
Adj. Diluted EPS ¹	\$3.46	\$1.07	\$2.39

FY24 is the best year ever for both top line revenue and bottom line Adj. EBITDA



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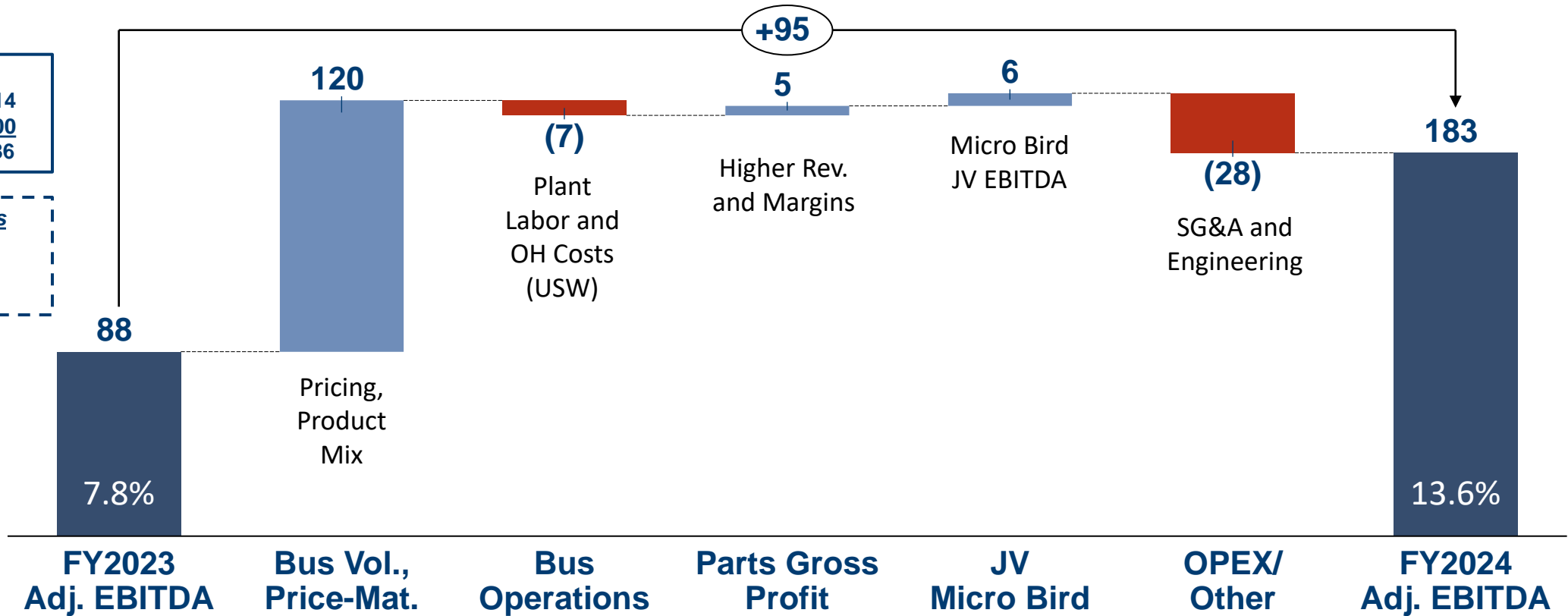
¹See appendix for additional detail regarding non-GAAP measures

FY2023 to FY2024 Adj. EBITDA Walk: \$95M YoY Improvement

Adj. EBITDA ¹
(\$M)

Unit Volumes	
FY2023	8,514
FY2024	9,000
Delta	486

t/o EV Volumes	
FY2023	546
FY2024	704
Delta	158



Significant improvements in Pricing, Parts and Micro Bird JV drove record FY24 results

¹ See appendix for additional detail regarding non-GAAP measures

Balance Sheet and Cash Flow Summary

(\$ Millions)	FY2024	FY2023	B/(W)
Cash	\$127.7	\$79.0	\$48.7
Debt	\$(95.0)	\$(130.3)	\$35.3
Liquidity	\$271.0	\$163.4	\$107.6
Operating Cash Flow	\$111.1	\$119.9	\$(8.8)
Adj. Free Cash Flow ¹	\$98.9	\$121.1	\$(22.2)
Trade Working Capital*	\$(32.4)	\$36.4	\$(68.8)

Strong Operating Cash Flow drives Adj. Free Cash Flow and record levels of Liquidity



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* Inventories, accounts receivable and accounts payable

¹See appendix for additional detail regarding non-GAAP measures

FY2025 Full Year Guidance – Raised to \$200M and 13.8% Margin

Tailwinds

- Strong demand
- Stable Gross Margins
- Propane exclusive
- EV growth (2/3 in H2)

	FY25 Scenarios		
	Downside	New Guidance	Upside
Supply Chain			
Units	9,000	9,250	9,500
<i>t/o EV Units</i>	1,000	1,150	1,300
Revenue \$M	\$1,400	\$1,450	\$1,500
Adj. EBITDA \$M	\$190	\$200	\$210
Adj. EBITDA %	13.6%	13.8%	14.0%

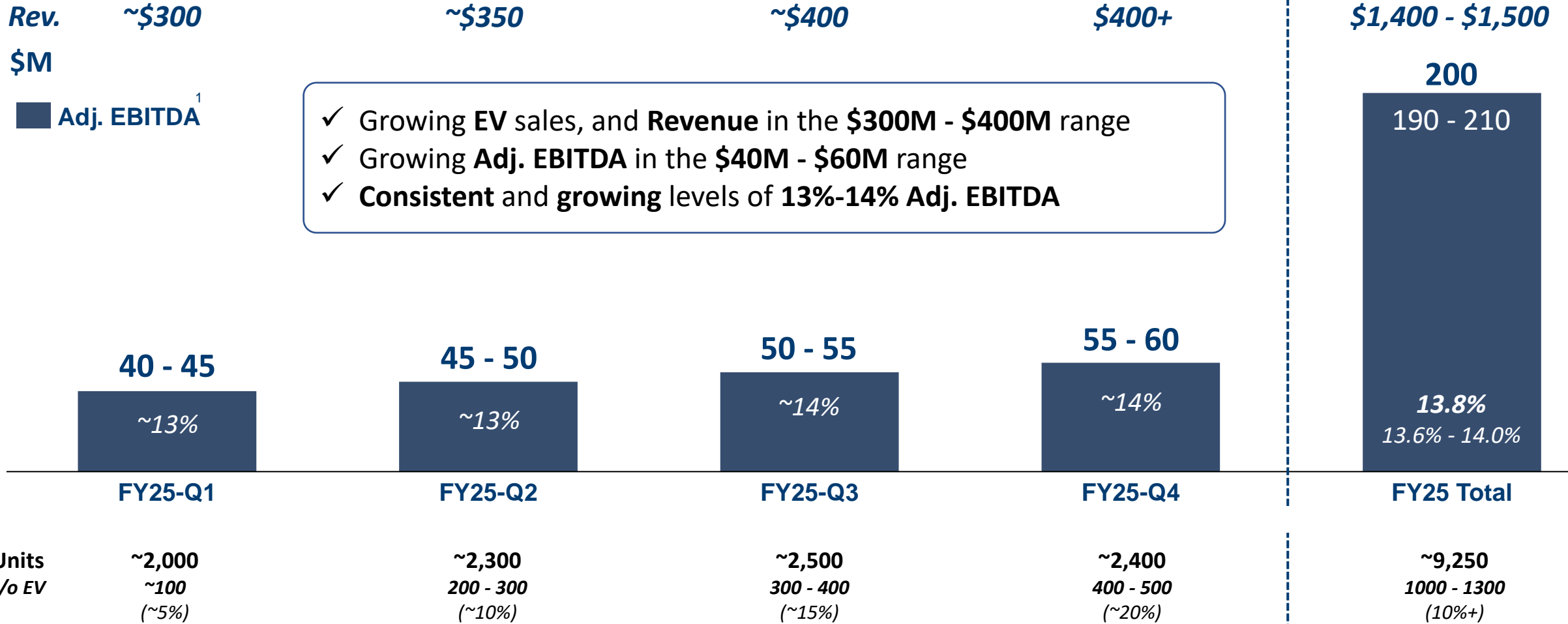
Headwinds

- Supply chain
- Labor Costs (USW)
- Material Costs
- EV timing (1/3 in H1)

Blue Bird Raised Guidance for FY25:
\$1.45B in Revenue (range \$1.4B - \$1.5B)
Adj. EBITDA \$200M and 13.8% Margin (range 13.6% - 14.0%)



FY2025 Quarterly Guidance – Product Mix Driving Growth



Solid FY25-H1 at ~13% Margin, with profitable growth expected to accelerate in FY25-H2

¹ See appendix for additional detail regarding non-GAAP measures

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 negotiations to be finalized by Dec 31, 2024



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

FY2025 Full Year Guidance – Raised to \$200M and 13.8% Margin

<i>\$ Millions</i>	FY2024 Actuals	FY2025 Aug Guidance	FY2025 Updated Guidance	<i>B/(W) Vs. Prior Year</i>
Net Revenue	\$1,347	\$1,400 - \$1,500	\$1,400 - \$1,500	\$53 - \$153
Adj. EBITDA ¹	\$183	\$180 - \$200	\$190 - \$210	\$7 - \$27
Adj. Free Cash Flow ¹	\$99	N/A	\$40 - \$60 t/o MESC \$(50)	\$(59) - \$(39) t/o MESC \$(50)

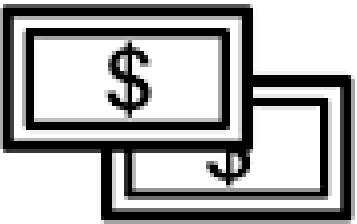
FY2025 expected to be a new record for Blue Bird for both top-line and bottom-line results



¹ See appendix for additional detail regarding non-GAAP measures

Blue Bird Profitable Growth Strategy and Capital Allocation

**REVENUE IS VANITY,
PROFIT IS SANITY,
CASH IS KING**



Revenue

FY25 Net Revenue ~\$1.45B

- Organic growth, with focus on alternative fuels
- Not chasing market share, re-engaging large fleets
- Expanding with commercial chassis and Micro Bird

Profit

FY25 Adj. EBITDA ~\$200M

- Disciplined pricing, implemented \$3,500/bus in Oct.'24
- Managing backlog levels to approx. two quarters
- Continuous cost improvement, lean manufacturing on one shift, steel forward-buy to de-risk gross margins

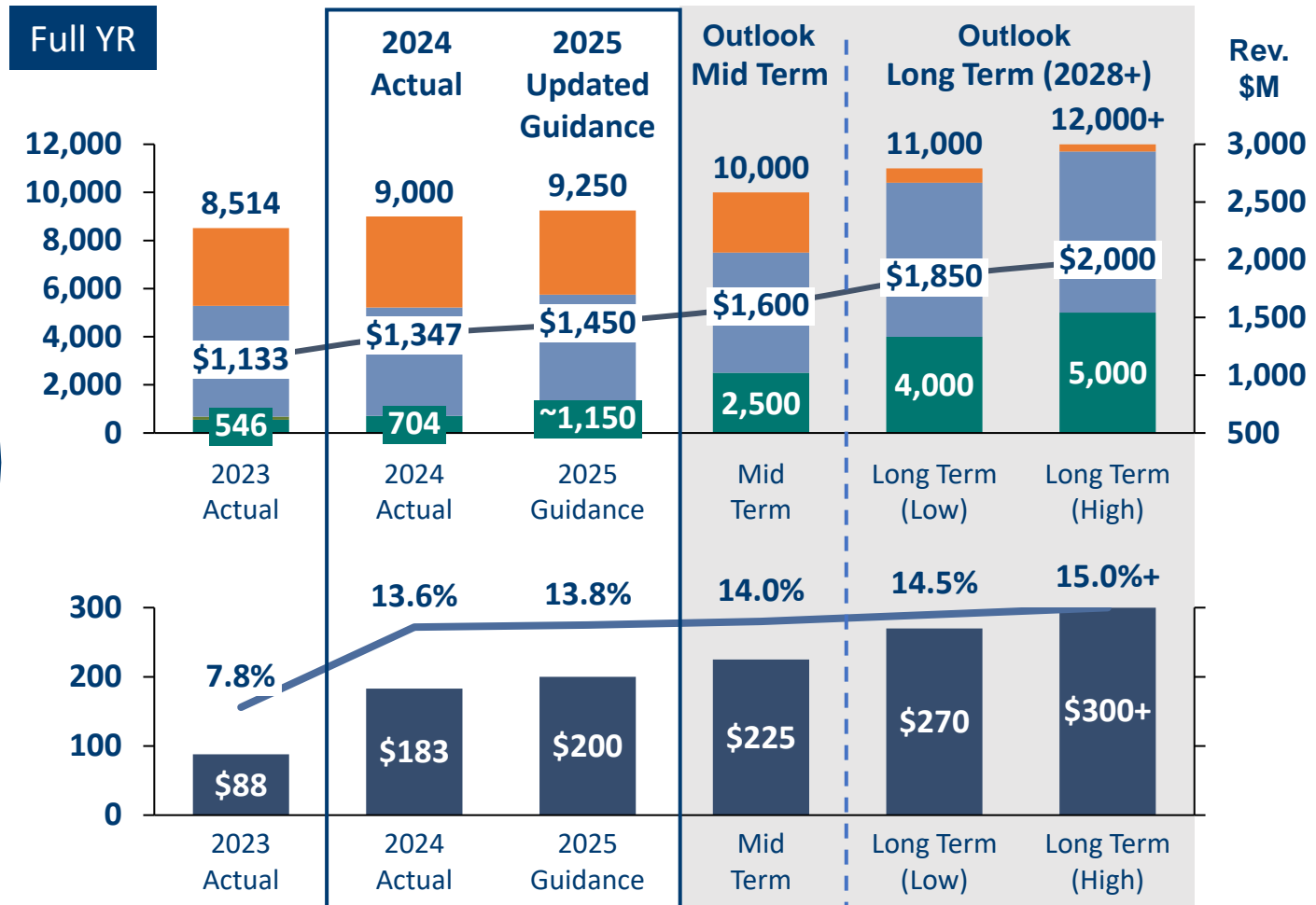
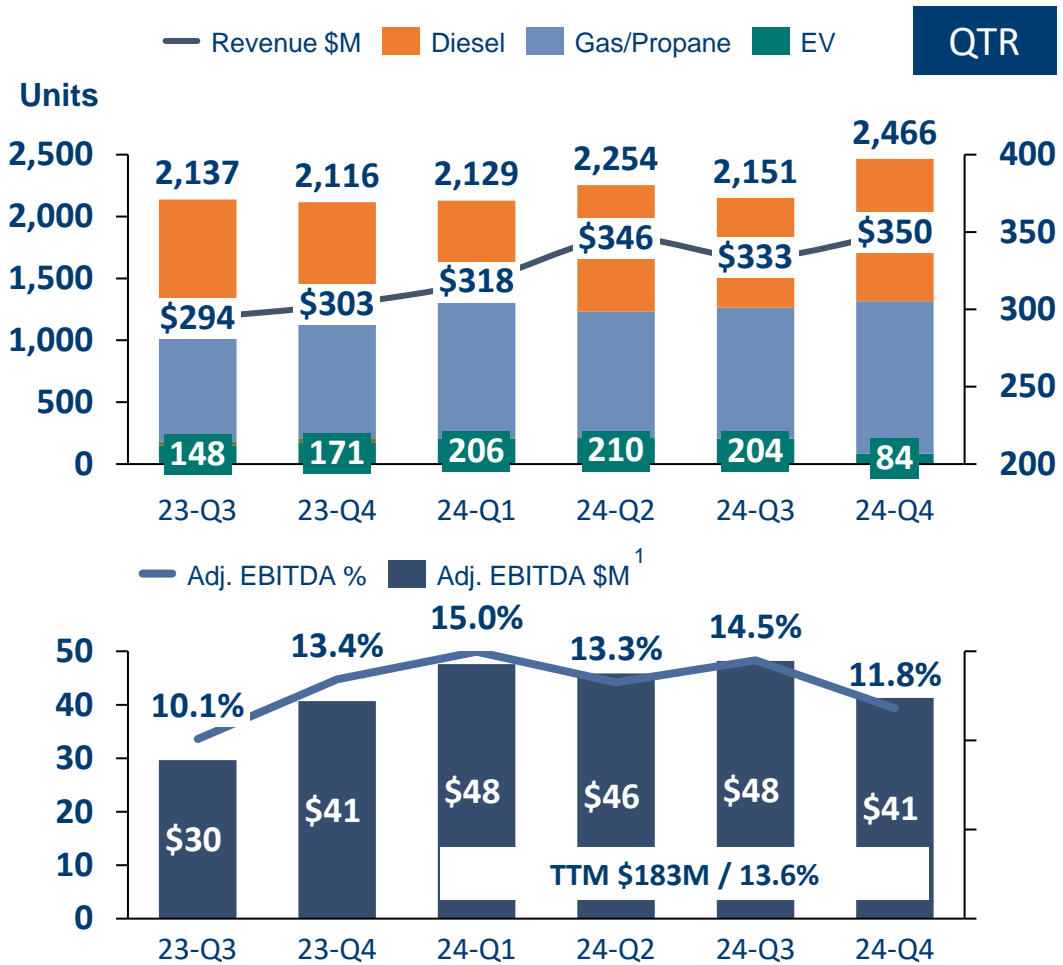
Cash

FY25 FCF ~\$100M (before new plant)

- \$80M investment in new plant (MESCC), over two years
- Stock buyback program (\$10M done, up to \$50M to-go)

Capital allocation balances profitable growth, return to shareholders and strong cash position

We Confirm Our Mid Term Outlook to 14% EBITDA



Confirmed growth path towards ~5,000 EV's, ~\$2B Revenue and 15%+ Adj. EBITDA

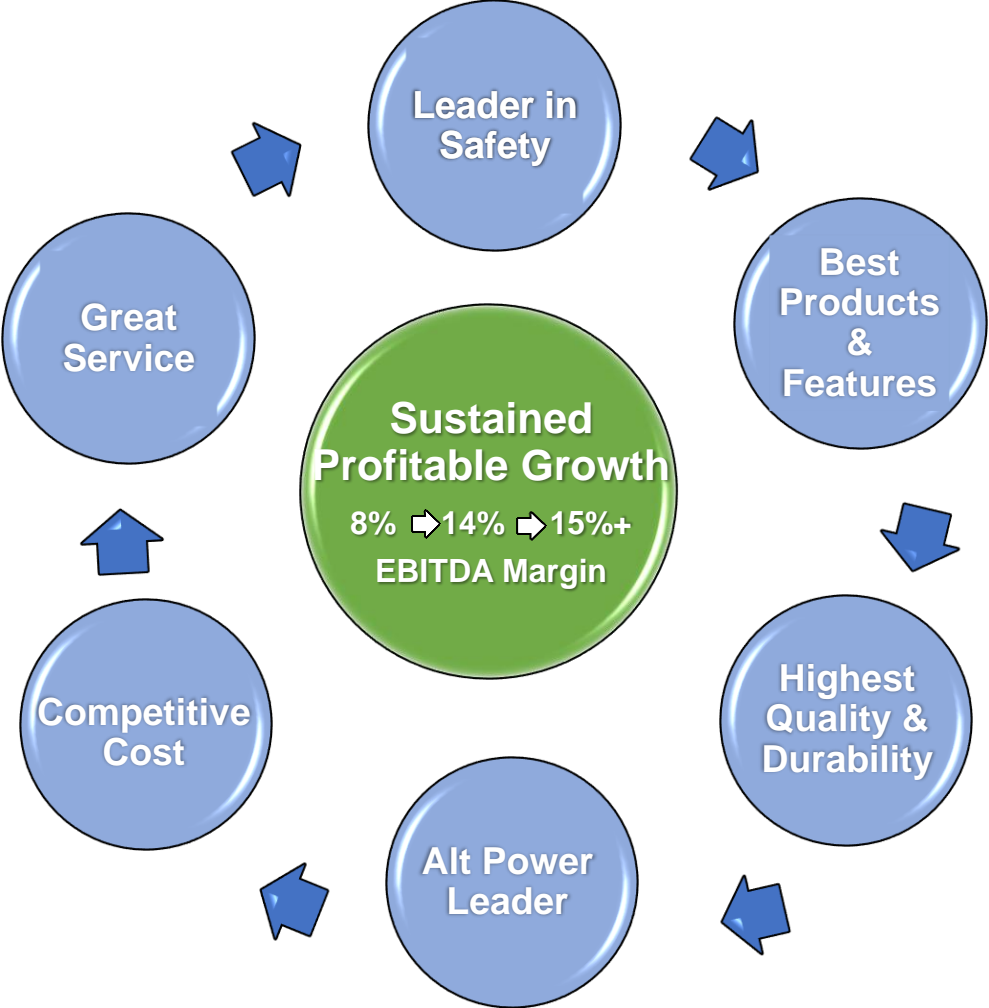
¹ See appendix for additional detail regarding non-GAAP measures



OUTLOOK

Phil Horlock
President & CEO

FY2025 Priorities Align with Our Strategy



Our core strategies drive our plans towards profitable growth

Significant Federal Funding for EV School Buses

The Bipartisan Infrastructure Law of 2021 authorizes EPA to offer rebates and grants to replace existing school buses with clean / zero-emission models – \$5B Funding over 5 years

New Program announced, utilizing Inflation Reduction Act funding

EPA CSB Round 2 (2023 Grant Program)

Final allocation of \$965M

Total of ~2,700¹ school buses
(incl. 62 propane)

Winners will have until **April 2026** to take delivery of buses

Deliveries in 2025 and 2026

EPA CSB Round 3 (2023 Rebate Program)

Final allocation of \$955M

Total of ~3,900¹ school buses
(incl. 459 propane)

Orders to be placed by Dec 2024

Winners will have **June 2026** to take delivery of buses

Deliveries in 2025 and 2026

EPA CSB Round 4 (2024 Rebate Program)

\$965M for School Buses

Application period open:
Sep. 26, 2024 – Jan. 9, 2025

Anticipated Award Selection
May 2025

Orders to be placed by Nov. 2025

Winners will have **May 2027** to take delivery of buses

Deliveries in 2026 and 2027

2024 Clean Heavy-Duty Vehicles Program

~\$650M for School Buses

Anticipated Award Selection
December 2024

Winners will have until **January 2027** to take delivery of buses

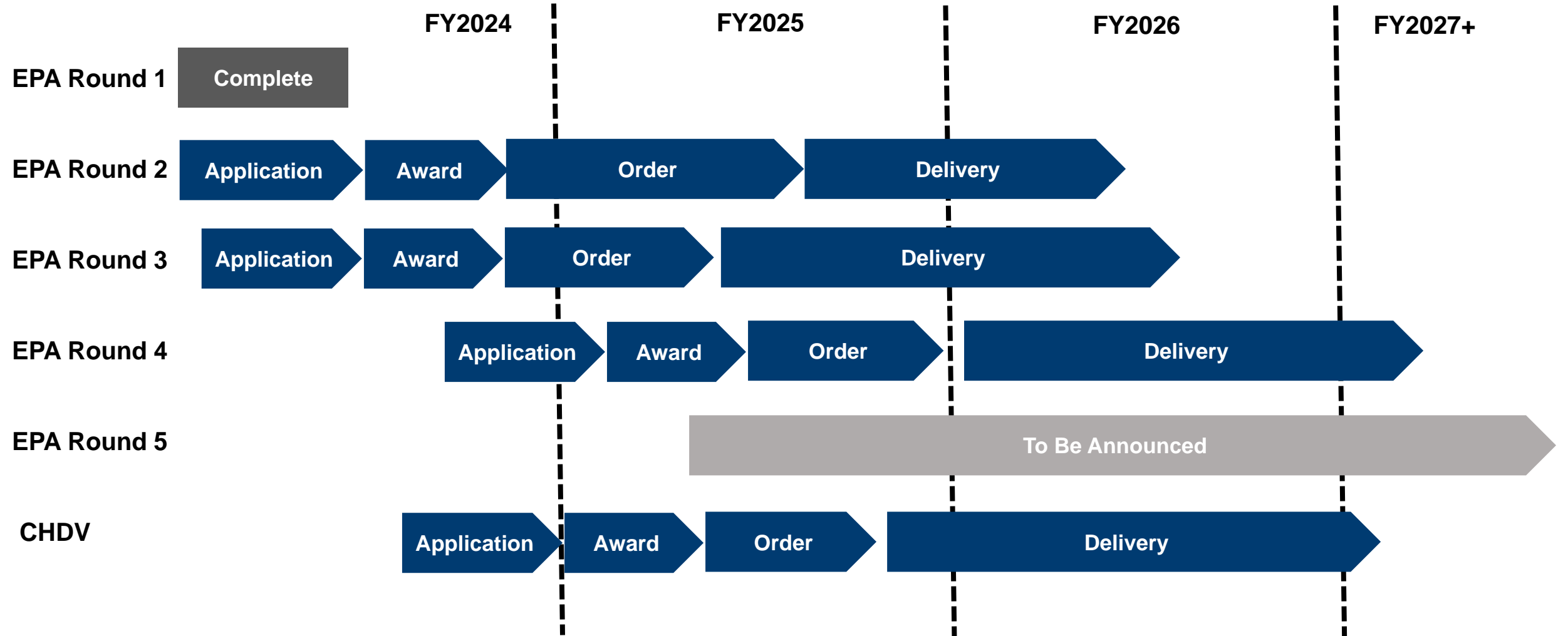
Deliveries in 2025 and 2026

¹ Includes Type A, C, and D awards

**We are well positioned to capitalize on these opportunities;
Blue Bird expects to win ~30% of Type A, C and D orders**



Federal EV Programs: Expected Order and Delivery Timing



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



Confident in Maintaining Federal Funding Support

- **Department of Energy \$80M Grant (50% of total \$160M investment)**
 - Fully supported and endorsed by both Republican and Democratic parties
 - Adds up to 400 good-paying jobs in Middle Georgia, our home for nearly 100 years
 - Adds capacity to meet urgent need for new buses following COVID and supply chain impact
- **\$5B Clean School Bus Funding Program**
 - School buses are not discretionary retail vehicles; 25 million children ride them each day
 - Bi-partisan bill approved unconditionally in 2021. Appropriated with 4 years funding in play
 - Eliminates children's health issues caused by harmful emissions from legacy diesel buses
 - Accelerates adoption of zero-emission buses, helping scale-based, lower-cost solutions
 - Blue Bird has more than 2,000 EV's on the road, built in the U.S. using US-built battery packs

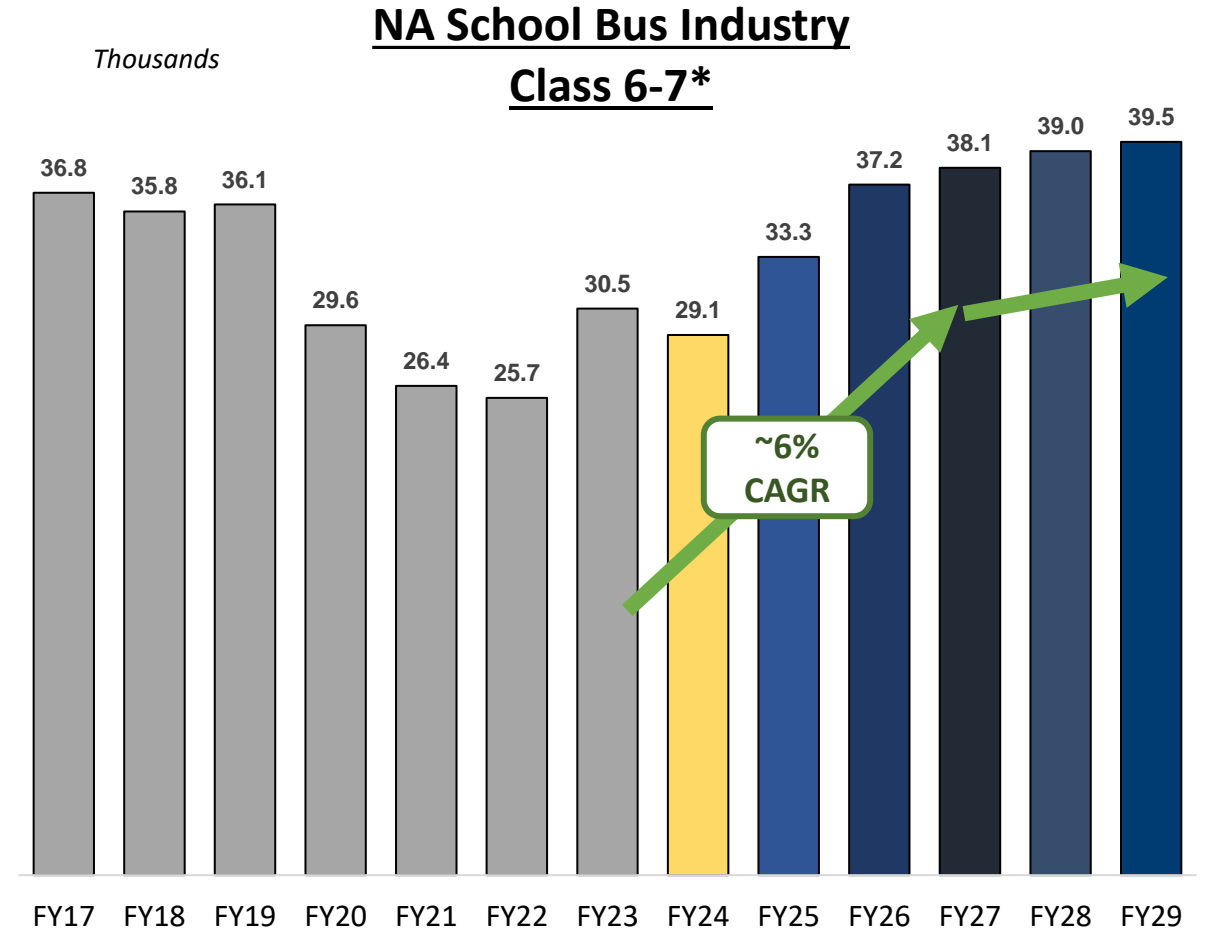
What's more important than our children's health and safety?

BLUE BIRD'S MISSION: "YOUR CHILDREN'S SAFETY IS OUR BUSINESS"



Wrap-Up: Record Profit Outlook in FY2025 & Beyond

Bookings	↑ 3%+ = ~9,250 units
Revenue	↑ 8%+ = ~\$1.45 Billion
Adj. EBITDA	↑ 9% = ~\$200 Million
Adj. EBITDA Margin	↑ 20 bps+ = ~14%
EV Bookings	↑ 64%+ = ~1,150 units

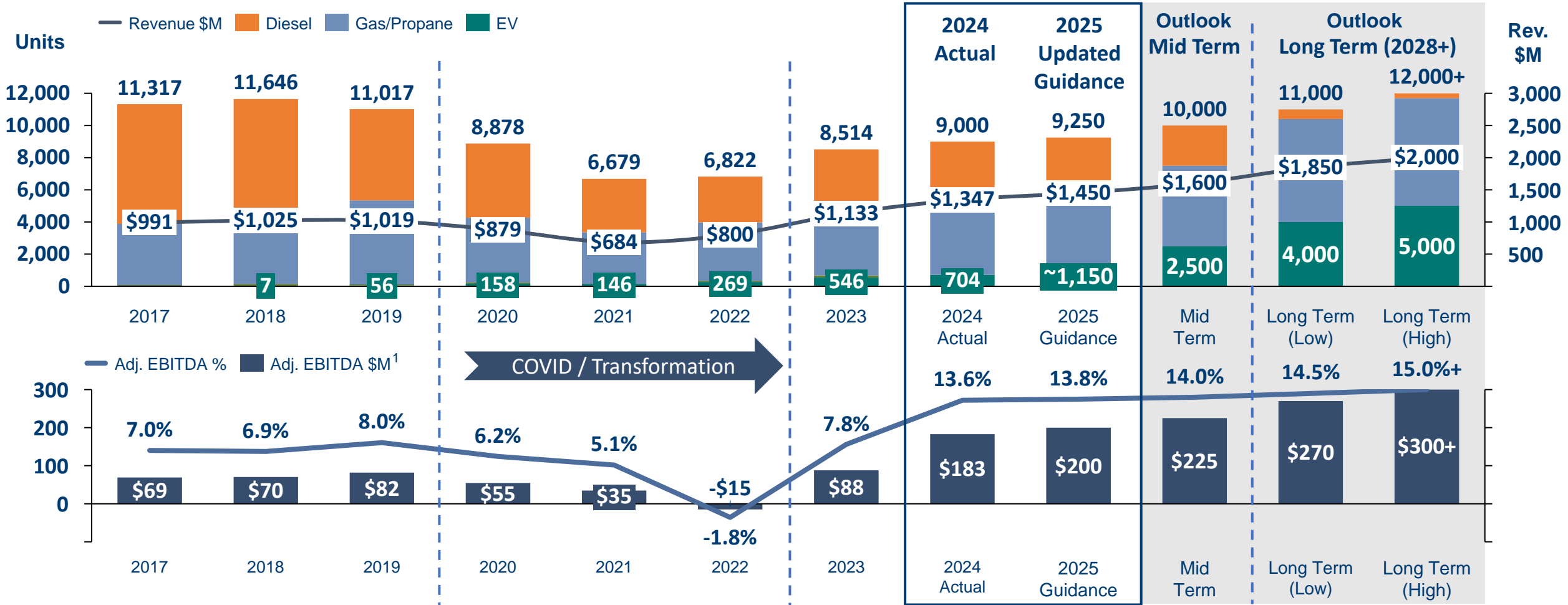


EBITDA Margins of ~14% in 2025 and 15%+ longer-term

Q&A

APPENDIX

We Confirm Our Mid Term Outlook to 14% EBITDA

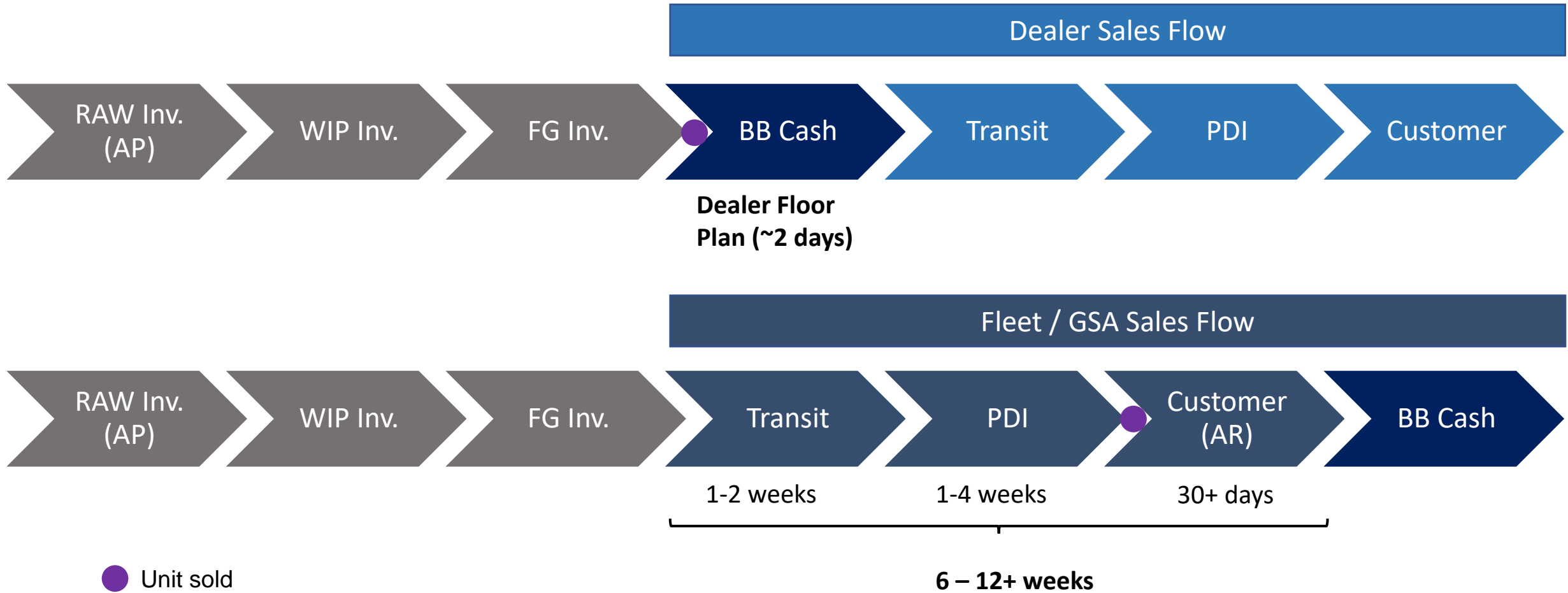


Confirmed growth path towards ~5,000 EV's, ~\$2B Revenue and 15%+ Adj. EBITDA



¹ See appendix for additional detail regarding non-GAAP measures

Working Capital – Dealer vs. Fleet / GSA Customer Segment



Fleet / GSA Sales require temporary Working Capital increases in FG Inv. and AR

Adj. EBITDA Reconciliation

Reconciliation of Net Income to Adjusted EBITDA

(in thousands of dollars)	Three Months Ended		Twelve Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net income	\$ 24,663	\$ 18,618	\$ 105,547	\$ 23,812
Adjustments:				
Interest expense, net (1)	1,118	3,457	6,847	17,380
Income tax expense	6,583	8,661	33,228	8,953
Depreciation, amortization, and disposals (2)	4,483	4,437	16,736	17,914
Operational transformation initiatives	—	624	—	1,757
Share-based compensation expense	1,592	1,944	8,609	4,173
Stockholder transaction costs	—	1,119	3,154	7,371
Loss on debt refinancing or modification	—	—	1,558	537
Micro Bird total interest expense, net; income tax expense or benefit; depreciation expense and amortization expense	2,920	1,850	7,362	5,456
Other	(51)	—	(132)	574
Adjusted EBITDA	\$ 41,308	\$ 40,710	\$ 182,909	\$ 87,927
Adjusted EBITDA margin (percentage of net sales)	11.8 %	13.4 %	13.6 %	7.8 %

(1) Includes \$0.1 million for both the three months ended September 28, 2024 and September 30, 2023, and \$0.4 million for both the twelve months ended September 28, 2024 and September 30, 2023, 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 \$0.3 million and \$0.5 million for the three months ended September 28, 2024 and September 30, 2023, respectively, and \$1.6 million and \$1.8 million for the twelve months ended September 28, 2024 and September 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		Twelve Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net cash provided by operating activities	\$ 55,352	\$ 35,797	\$ 111,112	\$ 119,928
Cash paid for fixed assets	(5,126)	(2,130)	(15,263)	(8,520)
Free cash flow	\$ 50,226	\$ 33,667	\$ 95,849	\$ 111,408
Cash paid for operational transformation initiatives	—	624	—	1,757
Cash paid for stockholder transaction costs	—	1,119	3,154	7,371
Cash paid for other items	(51)	—	(132)	574
Adjusted free cash flow	50,175	35,410	98,871	121,110

Adjusted EPS Reconciliation

Reconciliation of Net Income to Adjusted Net Income

(in thousands of dollars)	Three Months Ended		Twelve Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Net income	\$ 24,663	\$ 18,618	\$ 105,547	\$ 23,812
Adjustments, net of tax benefit or expense (1)				
Operational transformation initiatives	—	462	—	1,300
Share-based compensation expense	1,178	1,439	6,371	3,088
Stockholder transaction costs	—	828	2,334	5,455
Loss on debt modification	—	—	1,153	397
Other	(38)	—	(98)	425
Adjusted net income, non-GAAP	\$ 25,803	\$ 21,347	\$ 115,307	\$ 34,477

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

Reconciliation of Diluted EPS to Adjusted Diluted EPS

	Three Months Ended		Twelve Months Ended	
	September 28, 2024	September 30, 2023	September 28, 2024	September 30, 2023
Diluted earnings per share	\$ 0.73	\$ 0.58	\$ 3.16	\$ 0.74
One-time charge adjustments, net of tax benefit or expense	0.04	0.08	0.30	0.33
Adjusted diluted earnings per share, non-GAAP	\$ 0.77	\$ 0.66	\$ 3.46	\$ 1.07
Adjusted weighted average dilutive shares outstanding	33,728,200	32,364,765	33,349,221	32,258,652

End
