Q1 2020 EARNINGS PRESENTATION

March 4, 2020

NYSE: NAV

Safe Harbor Statement and Other Cautionary Notes

Information provided and statements contained in this presentation that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements only speak as of the date of this presentation and the company assumes no obligation to update the information included in this presentation. Such forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These statements often include words such as believe, expect, anticipate, intend, plan, estimate, or similar expressions. These statements are not guarantees of performance or results and they involve risks, uncertainties, and assumptions. For a further description of these factors, see the risk factors set forth in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K for the fiscal year ended October 31, 2019 and our quarterly report on Form 10-Q for the period ended January 31, 2020. Although we believe that these forward-looking statements are based on reasonable assumptions, there are many factors that could affect our actual financial results or results of operations and could cause actual results to differ materially from those in the forward-looking statements. All future written and oral forward-looking statements by us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. Except for our ongoing obligations to disclose material information as required by the federal securities laws, we do not have any obligations or intention to release publicly any revisions to any forward-looking statements to reflect events or circumstances in the future or to reflect the occurrence of unanticipated events.

The financial information herein contains audited and unaudited information and has been prepared by management in good faith and based on data currently available to the company.

Certain non-GAAP measures are used in this presentation to assist the reader in understanding our core manufacturing business. We believe this information is useful and relevant to assess and measure the performance of our core manufacturing business as it illustrates manufacturing performance. It also excludes financial services and other items that may not be related to the core manufacturing business or underlying results. Management often uses this information to assess and measure the underlying performance of our operating segments. We have chosen to provide this supplemental information to investors, analysts, and other interested parties to enable them to perform additional analyses of operating results. The non-GAAP numbers are reconciled to the most appropriate GAAP number in the appendix of this presentation.

First Quarter 2020 Summary

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- Q1 results impacted by industry cycle
- Strong Bus and Severe Service momentum
- Expecting stronger sequential results in Q2 and second half of 2020
- Ended Q1 with strong Manufacturing cash balance of $1 billion
- TRATON offer received
- Huntsville engine plant expansion broke ground
- MaxxForce settlement approved in the U.S.

Note: This slide contains non-GAAP information; please see the REG G in appendix for a detailed reconciliation.

First Quarter 2020 Consolidated Results

NAVISTAR

($ in millions, except per share and units)

	Quarters Ended January 31	
	2020	**2019**
Chargeouts[A]	**11,600**	18,900
Sales and Revenues	**$ 1,838**	$ 2,433
Net Income (Loss)[B]	**$ (36)**	$ 11
Diluted Income per Share (Loss)[B]	**$ (0.36)**	$ 0.11
Adjusted Net Income (Loss)[C]	**$ (33)**	$ 57
Adjusted EBITDA[C]	**$ 59**	$ 173
Adjusted EBITDA Margin[C]	**3.2%**	7.1%

(A) Includes U.S. and Canada School buses and Class 6-8 trucks.
(B) Amounts attributable to Navistar International Corporation.
(C) Non-GAAP information; please see the REG G in appendix for a detailed reconciliation.

First Quarter 2020 Segments Results

($ in millions)

	Sales and Revenues		Segment Profit (Loss)	
	Quarters Ended January 31		Quarters Ended January 31	
	2020	2019	2020	2019
Truck	**$ 1,242**	$ 1,797	**$ (58)**	$ 90
Parts	**493**	548	**119**	144
Global Operations	**68**	73	**-**	6
Financial Services	**57**	74	**17**	31

2020 Industry Guidance

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	2020 Guidance	2019 Actual
Class 8	210-240K	315K
Class 6/7	90K	112K
School Bus	35K	34K
Core Markets Industry	335-365K	462K

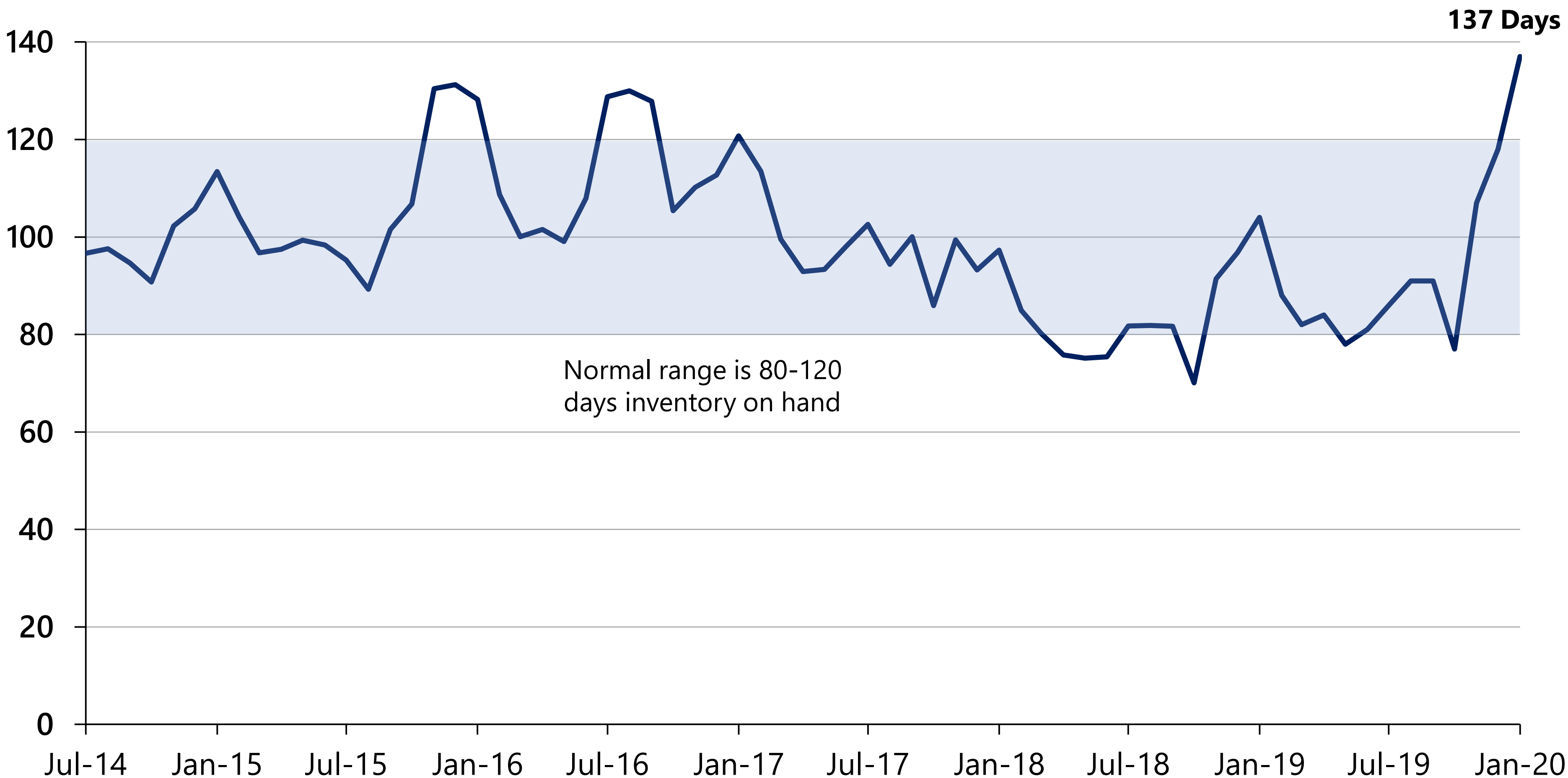
2020 Financial Guidance

	2020 Guidance[A]	2019 Actuals
Revenue	**$9.25-$9.75B**	$11.25B
Gross Margin	**18.5-19%**	17.8%
Adjusted EBITDA[B]	**$700-$750M**	$882M
Manufacturing Interest Expense	**$190M**	$207M
Warranty Spend Greater than Expense	**$75M**	$111M
Capital Expenditures	**$225M**	$134M
Pension/OPEB Contributions Greater than Expense[C]	**$175M**	$122M

(A) 2020 guidance does not include any potential impact to our operations related to the coronavirus.
(B) Non-GAAP information; please see the REG G in appendix for a detailed reconciliation.
(C) Pension expense in 2019 excludes $142M for Canadian pension annuity settlement.

Appendix

Days Sales Inventory On-Hand



Includes US and Canada Class 6-8 company and dealer truck inventory, but does not include IC Bus

*Calculation is based on the 3-month rolling average of inventory-to-retail sales ratio

Retail Market Share in Commercial Vehicle Segments

	Three Months Ended				
	January 31, 2020	October 31, 2019	July 31, 2019	April 30, 2019	January 31, 2019
Core Markets (U.S. and Canada)					
Class 6 and 7 medium trucks	**20.3%**	25.9%	26.8%	29.8%	**25.5%**
Class 8 heavy trucks	**6.1%**	14.3%	13.8%	15.1%	**12.1%**
Class 8 severe service trucks	**14.0%**	19.7%	14.1%	12.6%	**11.7%**
Combined class 8 trucks	**8.5%**	15.7%	13.9%	14.5%	**12.0%**

Class 6/7
Medium-Duty

Class 8
Heavy

Class 8
Severe Service

Worldwide Truck Chargeouts

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	Three Months Ended January 31,			%
	2020	2019	Change	Change
Core Markets (U.S. and Canada)				
School Buses	**1,900**	2,500	(600)	(24%)
Class 6 and 7 Medium Trucks	**4,400**	6,100	(1,700)	(28%)
Class 8 Heavy Trucks	**2,400**	7,800	(5,400)	(69%)
Class 8 Severe Service Trucks	**2,900**	2,500	400	16%
Total Core Markets	**11,600**	18,900	(7,300)	(39%)
Non "Core" Defense	**-**	100	(100)	(100%)
Other Markets(A)	**4,400**	1,700	2,700	159%
Total Worldwide Units	**16,000**	20,700	(4,700)	(23%)
Combined Class 8 Trucks	**5,300**	10,300	(5,000)	(49%)

We define chargeouts as trucks that have been invoiced to customers. The units held in dealer inventory represent the principal difference between retail deliveries and chargeouts. The above table summarizes our approximate worldwide chargeouts.

We define our Core markets to include U.S. and Canada School bus and Class 6 through 8 trucks.

(A) Other markets primarily consist of Class 4/5 vehicles, Export Truck, Mexico, and post-sale Navistar Defense. Other markets include certain Class 4/5 vehicle chargeouts of 2,100 and General Motors ("GM")-branded units sold to GM during the three months ended January 31, 2020

Financial Services Segment

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Highlights

- Financial Services segment profit of $17M for Q1 2020 compared to $31M for Q1 2019
- Segment financing availability of $875M as of January 31, 2020
- Financial Services debt/equity leverage of 2.8:1 as of January 31, 2020
- Dividend to Navistar, Inc. of $30M in Q1 2020

NFC[1] Facilities

Dealer Floor Plan

- NFSC wholesale trust as of January 31, 2020
  - $950M funding facility
  - Variable portion matures May 2020
  - Term portions mature September 2020 and May 2021
- On balance sheet

Retail Notes

NAVISTAR® CAPITAL

Funded by BMO Financial Group

- Program management continuity
- Broad product offering
- Ability to support large fleets
- Access to less expensive capital

Bank Facilities

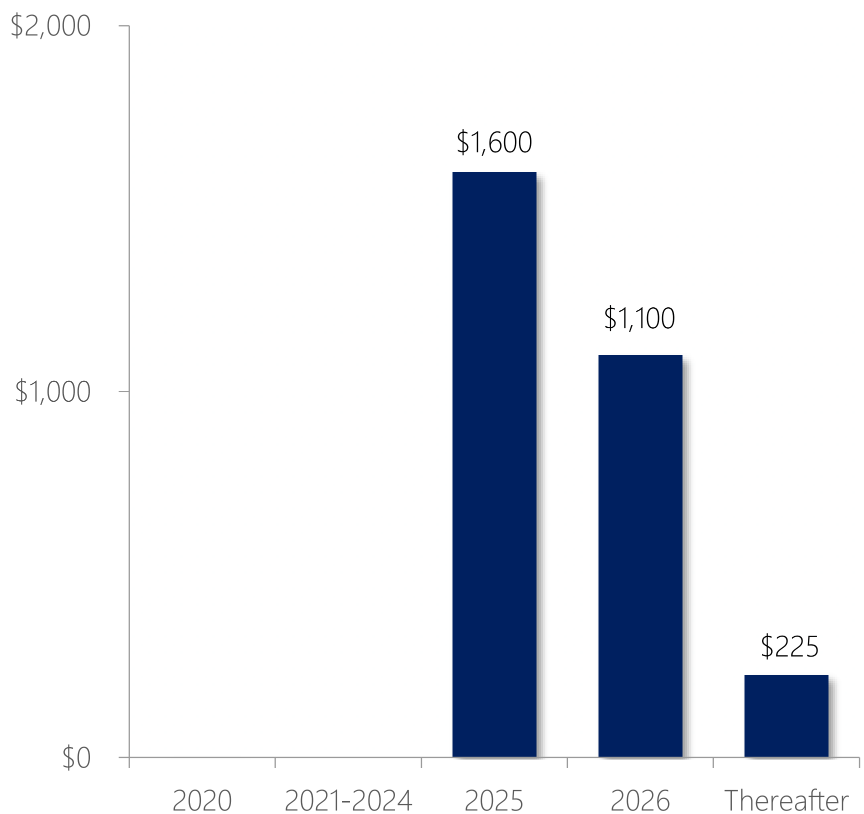
- Bank revolver capacity of $748M matures May 2024
  - Funding for retail notes, wholesale notes, retail accounts, and dealer open accounts
- $200M TRAC Facility extended to June 2021
- On balance sheet

[1] Navistar Financial Corporation (NFC) is the U.S. financial entity of Navistar's Financial Services segment.

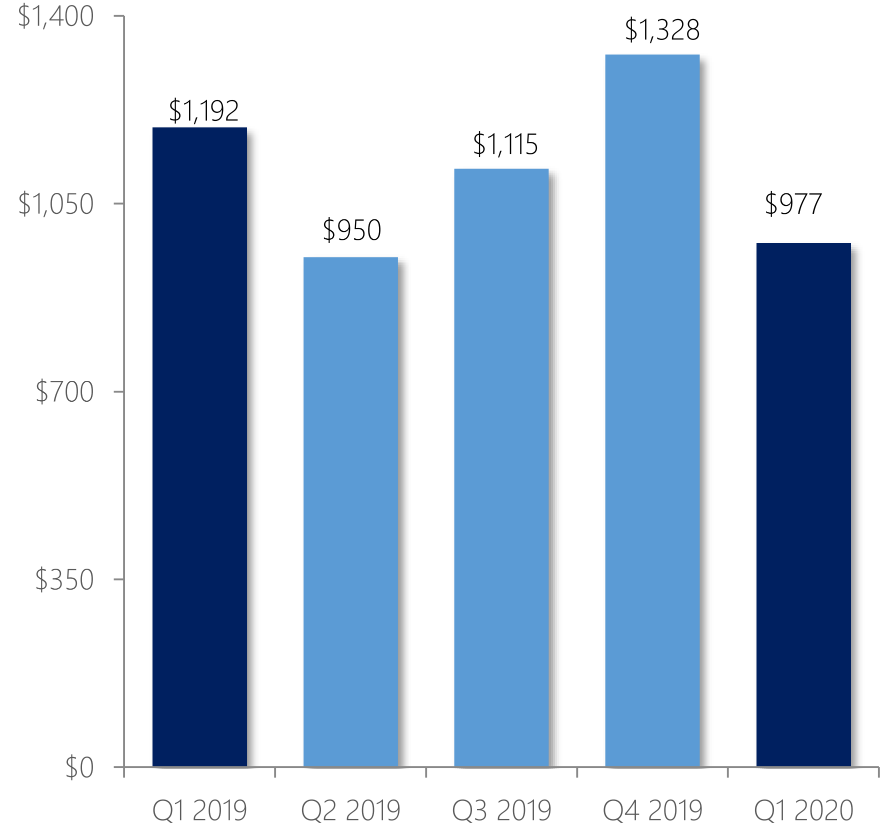
Strong Cash Balance, No Near-Term Manufacturing Debt

($ in millions)

Limited Near-Term Manufacturing Debt Maturities(A)



Manufacturing Cash Balance(B)



Note: This slide contains non-GAAP information; please see the REG G in appendix for a detailed reconciliation.
(A) Total manufacturing debt of $2.9B as of January 31, 2020. Graph does not include financed lease obligations and other, totaling $62 million.
(B) Amounts include manufacturing cash, cash equivalents, and marketable securities. Q1 2020 consolidated equivalent cash balance was $1.0 billion. Amounts exclude restricted cash.

Frequently Asked Questions

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Q1: What is included in Corporate and Eliminations?

A: The primary drivers of Corporate and Eliminations are Corporate SG&A, pension and OPEB expense (excluding amounts allocated to the segments), annual incentive, manufacturing interest expense, and the elimination of intercompany sales and profit between segments.

Q2: What is included in your equity in income of non-consolidated affiliates?

A: Equity in income of non-consolidated affiliates is derived from the ownership interests in partially-owned affiliates that are not consolidated.

Q3: What is your net income attributable to non-controlling interests?

A: Net income attributable to non-controlling interests is the result of the consolidation of subsidiaries in which the company does not own 100% and is primarily comprised of Ford's non-controlling interest in our Blue Diamond Parts joint venture.

Q4: What are your expected 2020 and beyond pension funding requirements?

A: For the three months ended January 31, 2020 and 2019, we contributed $30 million and $131 million, respectively, to our pension plans (the "Plans") to meet regulatory funding requirements. During the first quarter of 2019, we accelerated the payment of a substantial portion of our 2019 minimum required funding. We currently expect to contribute an additional $162 million to the Plans during the remainder of 2020. Future contributions are dependent upon a number of factors, principally the changes in values of plan assets, changes in interest rates, and the impact of any future funding relief. We currently expect that from 2021 through 2023, we will be required to contribute approximately $140 million to $175 million per year to the Plans, depending on asset performance and discount rates.

Q5: What is your expectation for future cash tax payments?

A: Cash tax payments are expected to remain low in 2020 and could gradually increase as the company utilizes available net operating losses (NOLs) and tax credits in future years.

Frequently Asked Questions

NAVISTAR

Q6: What is the current balance of net operating losses as compared to other deferred tax assets?

A: As of October 31, 2019, the Company had deferred tax assets for U.S. federal NOLs valued at $465 million, state NOLs valued at $166 million, and foreign NOLs valued at $151 million, for a total undiscounted cash value of $782 million. In addition to NOLs, the Company had deferred tax assets for accumulated tax credits of $196 million and other deferred tax assets of $1.2 billion resulting in net deferred tax assets before valuation allowances of approximately $2.1 billion. Of this amount, $2.0 billion was subject to a valuation allowance at the end of FY2019.

Q7: How does your FY 2020 Class 8 industry outlook compare to ACT Research?

A:

<table>
<tr><th>Reconcilation to ACT - Retail Sales</th><th colspan="2">2020</th></tr>
<tr><td>ACT*</td><td colspan="2">217,800</td></tr>
<tr><td>CY to FY Adjustment</td><td colspan="2">10,100</td></tr>
<tr><td>"Other Specialty OEMs" included in ACT's forecast; we do not include these specialty OEMs in our forecast or in our internal/external reports</td><td colspan="2">(5,000)</td></tr>
<tr><td>Total (ACT comparable Class 8 Navistar)</td><td colspan="2">222,900</td></tr>
<tr><td>Navistar Industry Retail Deliveries Combined Class 8 Trucks</td><td>210,000</td><td>240,000</td></tr>
<tr><td>Navistar Difference from ACT</td><td>(12,900)</td><td>17,100</td></tr>
<tr><td>*Source: ACT N.A. Commercial Vehicle Outlook - February 2020</td><td>(5.8%)</td><td>7.7%</td></tr>
</table>

Q8: Please discuss the process from an order to a retail delivery?

A: Orders* are customers' written commitments to purchase vehicles. Order backlogs* are orders yet to be built as of the end of a period. Chargeouts are vehicles that have been invoiced to customers. Retail deliveries occur when customers take possession and register the vehicle. Units held in dealer inventory represent the principal difference between retail deliveries and chargeouts.

* Orders and units in backlog do not represent guarantees of purchases and are subject to cancellation.

Frequently Asked Questions

Q9: How do you define manufacturing free cash flow?

A:

($ in millions)	Jan. 31, 2020	Oct. 31, 2019	Jul. 31, 2019	Apr. 30, 2019	Jan. 31, 2019
	Quarters Ended				
Consolidated Net Cash from Operating Activities	**$ 99**	$ 346	$ 294	$ 50	$ (240)
Less: Net Cash from Financial Services Operations	**410**	142	20	(132)	25
Net Cash from Manufacturing Operations (A)	**(311)**	204	274	182	(265)
Less: Capital Expenditures	**59**	44	24	21	43
Manufacturing Free Cash Flow	**$ (370)**	$ 160	$ 250	$ 161	$ (308)

(A) Net of adjustments required to eliminate certain intercompany transactions between Manufacturing operations and Financial Services operations.

Q10: What is your revenue by product type(A)?

A:

($ in millions)	Truck	Parts	Global Operations	Financial Services	Corporate and Eliminations	Total
Three Months Ended January 31, 2020						
Truck products and services(A)	$ 1,075	$ —	$ —	$ —	$ 3	$ 1078
Truck contract manufacturing	97	—	—	—	—	97
Used trucks	41	—	—	—	—	41
Engines	—	50	47	—	—	97
Parts	—	442	14	—	—	456
Extended warranty contracts	25	—	—	—	—	25
Sales of manufactured products, net	1,238	492	61	—	3	1,794
Retail financing(B)	—	—	—	37	(2)	35
Wholesale financing(B)	—	—	—	9	—	9
Financial revenues	—	—	—	46	(2)	44
Sales and revenues, net	$ 1,238	$ 492	$ 61	$ 46	$ 1	$ 1,838

(A) Includes other markets primarily consisting of Bus, Export Truck and Mexico.
(B) Retail financing and Wholesale financing revenues in the Financial Services segment include interest revenue of $15 million and $9 million, respectively, for the three months ended January 31, 2020, respectively, and $13 million and $12 million for the three months ended January 31, 2019, respectively.

Outstanding Debt Balances

($ in millions)	January 31, 2020	October 31, 2019
Manufacturing operations		
Senior Secured Term Loan Credit Agreement, due 2025, net of unamortized discount of $6 at both dates and unamortized debt issuance costs of $9 and $10, respectively	$ 1,553	$ 1,566
6.625% Senior Notes, due 2026, net of unamortized debt issuance costs of $14 and $15, respectively	1,086	1,085
Loan Agreement related to 6.75% Tax Exempt Bonds, due 2040, net of unamortized debt issuance costs of $5 at both dates	220	220
Financed lease obligations	53	60
Other	9	11
Total Manufacturing operations debt	2,921	2,932
Less: Current portion	31	32
Net long-term Manufacturing operations debt	$ 2,890	$ 2,900

($ in millions)	January 31, 2020	October 31, 2019
Financial Services operations		
Asset-backed debt issued by consolidated SPEs, at fixed and variable rates, due serially through 2023, net of unamortized debt issuance costs of $3 and $4, respectively	$ 673	$ 991
Bank credit facilities, at fixed and variable rates, due dates from 2019 through 2025, net of unamortized debt issuance costs of $1 at both dates	978	1,059
Commercial paper, at variable rates, program matures in 2022	44	84
Borrowings secured by operating and finance leases, at various rates, due serially through 2024	119	122
Total Financial Services operations debt	1,814	2,256
Less: Current portion	421	839
Net long-term Financial Services operations debt	$ 1,393	$ 1,417

SEC Regulation G Non-GAAP Reconciliation

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SEC Regulation G Non-GAAP Reconciliation:
The financial measures presented below are unaudited and not in accordance with, or an alternative for, financial measures presented in accordance with U.S. generally accepted accounting principles ("GAAP"). The non-GAAP financial information presented herein should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP and are reconciled to the most appropriate GAAP number below.

Earnings (loss) Before Interest, Income Taxes, Depreciation, and Amortization ("EBITDA"):
We define EBITDA as our consolidated net income (loss) attributable to Navistar International Corporation plus manufacturing interest expense, income taxes, and depreciation and amortization. We believe EBITDA provides meaningful information as to the performance of our business and therefore we use it to supplement our GAAP reporting. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analyses of operating results.

Adjusted Net Income and Adjusted EBITDA:
We believe that adjusted net income and adjusted EBITDA, which excludes certain identified items that we do not consider to be part of our ongoing business, improves the comparability of year to year results, and is representative of our underlying performance. Management uses this information to assess and measure the performance of our operating segments. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analyses of operating results, to illustrate the results of operations giving effect to the non-GAAP adjustments shown in the below reconciliations, and to provide an additional measure of performance.

Manufacturing Cash, Cash Equivalents, and Marketable Securities:
Manufacturing cash, cash equivalents, and marketable securities, and free cash flow represents the Company's consolidated cash, cash equivalents, and marketable securities excluding cash, cash equivalents, and marketable securities of our financial services operations. We include marketable securities with our cash and cash equivalents when assessing our liquidity position as our investments are highly liquid in nature. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analyses of our ability to meet our operating requirements, capital expenditures, equity investments, and financial obligations.

Gross Margin consists of Sales and revenues, net, less Costs of products sold.

Structural Cost consists of Selling, general and administrative expenses and Engineering and product development costs.

Manufacturing Free Cash Flow consists of Net cash from operating activities and Capital Expenditures, all from our Manufacturing operations

Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by Sales and revenues, net.

SEC Regulation G Non-GAAP Reconciliation

NAVISTAR

Manufacturing Operations Cash, Cash Equivalents, and Marketable Securities Reconciliation:

($ in millions)	Jan. 31, 2020	Oct. 31, 2019	Jul. 31, 2019	Apr. 30, 2019	Jan. 31, 2019
Manufacturing Operations:					
Cash and Cash Equivalents	$ 977	$ 1,328	$ 1,112	$ 927	$ 1,261
Marketable Securities	-	-	3	23	101
Manufacturing Cash, Cash Equivalents, and Marketable securities	$ 977	$ 1,328	$ 1,115	$ 950	$ 1,362
Financial Services Operations:					
Cash and Cash Equivalents	$ 23	$ 42	$ 48	$ 50	$ 59
Marketable Securities	-	-	-	-	-
Financial Services Cash, Cash Equivalents, and Marketable securities	$ 23	$ 42	$ 48	$ 50	$ 59
Consolidated Balance Sheet:					
Cash and Cash Equivalents	$ 1,000	$ 1,370	$ 1,160	$ 977	$ 1,320
Marketable Securities	-	-	3	23	101
Consolidated Cash, Cash Equivalents, and Marketable securities	$ 1,000	$ 1,370	$ 1,163	$ 1,000	$ 1,421

SEC Regulation G Non-GAAP Reconciliations

Earnings (Loss) Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") Reconciliation

($ in millions)	Quarters Ended January 31, 2020	2019
Net Income (loss) Attributable to NIC	$ (36)	$ 11
Plus:		
Depreciation and Amortization Expense	50	48
Manufacturing Interest Expense (A)	46	56
Adjusted for:		
Income Tax Benefit (Expense)	5	19
EBITDA	$ 55	$ 96

(A) Manufacturing interest expense is the net interest expense primarily generated for borrowings that support the manufacturing and corporate operations, adjusted to eliminate interest expense of our Financial Services segment. The following table reconciles Manufacturing interest expense to the consolidated interest expense:

($ in millions)	Quarters Ended January 31, 2020	2019
Interest Expense	$ 65	$ 85
Less: Financial Services Interest Expense	19	29
Manufacturing Interest Expense	$ 46	$ 56

($ in millions)	Quarters Ended January 31, 2020	2019
EBITDA (reconciled above)	$ 55	$ 96
Adjusted for significant items of:		
Adjustments to Pre-existing Warranties (A)	4	(7)
Asset Impairment Charges (B)	—	2
Restructuring of Manufacturing Operations	1	—
Gain on Sales (C)	—	(59)
Pension Settlement (D)	—	142
Settlement Gain (E)	(1)	(1)
Total Adjustments	4	77
Adjusted EBITDA	$ 59	$ 173
Adjusted EBITDA Margin	3.2%	7.1%

For more detail on the items noted, please see the footnotes on slide 21.

SEC Regulation G Non-GAAP Reconciliation

Adjusted Income Reconciliation:

($ in millions)	Quarters Ended January 31, 2020	2019
Net Income (Loss) Attributable to NIC	$ (36)	$ 11
Adjusted for Significant Items of:		
Adjustments to Pre-existing Warranties (A)	4	(7)
Asset Impairment Charges (B)	—	2
Restructuring of Manufacturing Operations	1	—
Gains on Sales (C)	—	(59)
Pension Settlement (D)	—	142
Settlement Gain (E)	(1)	(1)
Total Adjustments	4	77
Tax Effect (F)	(1)	(31)
Adjusted Net Income (Loss) Attributable to NIC	$ (33)	$ 57

(A) Adjustments to pre-existing warranties reflect changes in our estimate of warranty costs for products sold in prior periods. Such adjustments typically occur when claims experience deviates from historic and expected trends. Our warranty liability is generally affected by component failure rates, repair costs, and the timing of failures. Future events and circumstances related to these factors could materially change our estimates and require adjustments to our liability. In addition, new product launches require a greater use of judgment in developing estimates until historical experience becomes available.

(B) In the first quarter of 2019, we recorded $2 million of asset impairment charges related to certain assets under operating leases in our Truck segment.

(C) In the first quarter of 2019, we recognized a gain of $54 million related to the sale of a majority interest in the Navistar Defense business in our Truck segment, and a gain of $5 million related to the sale of our joint venture in China with JAC in our Global Operations segment.

(D) In the first quarter of 2019, we purchased group annuity contracts for certain retired pension plan participants resulting in plan remeasurements. As a result, we recorded pension settlement accounting charges of $142 million in Other expense, net in Corporate.

(E) In the first quarter of 2020 and 2019, we recorded interest income of $1 million, respectively, in Other expense, net derived from the prior year settlement of a business economic loss claim relating to our former Alabama engine manufacturing facility in Corporate.

(F) Tax effect is calculated by excluding the impact of the non-GAAP adjustments from the interim period tax provision calculations.