Q3 2020 EARNINGS PRESENTATION

September 9, 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 April 30, 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.

Third Quarter 2020 Summary

NAVISTAR

- Persio Lisboa appointed President and CEO
- Q3 results lower YoY due to weaker industry conditions and COVID-19
- Ended Q3 with strong manufacturing cash balance of $1.6 billion
  - Generated $154 million of manufacturing free cash flow
- Actions underway to further improve cost structure
- $225 million recovery zone bonds refinanced in August, lowering interest rate by 2 full points
- New San Antonio plant will be capable of building both diesel and electric trucks
- Multiple strategic partnerships announced related to advanced technologies in autonomous and electric vehicles and in the area of connectivity

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

Impact of COVID-19 Pandemic

NAVISTAR

Business Update

- Safety measures enhanced to protect our employees, communities and operations
- Navistar 4.0 strategy remains focus
- Industry recovery underway following easing of states' restrictions
- Navistar facilities remained open as an essential business
- Supply chain disruptions easing
- Parts distribution centers and dealer bodies fully operational

Learnings from the Pandemic

- April cash conservation activities successful
  - Salary deferral program ended September 1st
- Focus shifted to additional sustainable cost savings actions
  - Evaluating facility footprint
  - Pursuing outsourcing opportunities
  - Flattening organizational structure
  - Reducing third-party supplier expenses
- SG&A goal of 7% to 9% of revenues

Third Quarter 2020 Consolidated Results

NAVISTAR

($ in millions, except per share and units)

	Quarters Ended July 31	
	2020	**2019**
Chargeouts[(A)]	**11,400**	24,400
Sales and Revenues	**$ 1,675**	$ 3,042
Net Income (Loss)[(B)]	**$ (37)**	$ 156
Diluted Income per Share (Loss)[(B)]	**$ (0.37)**	$ 1.56
Adjusted Net Income (Loss)[(C)]	**$ (8)**	$ 147
Adjusted EBITDA[(C)]	**$ 104**	$ 266
Adjusted EBITDA Margin[(C)]	**6.2%**	8.7%

(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.

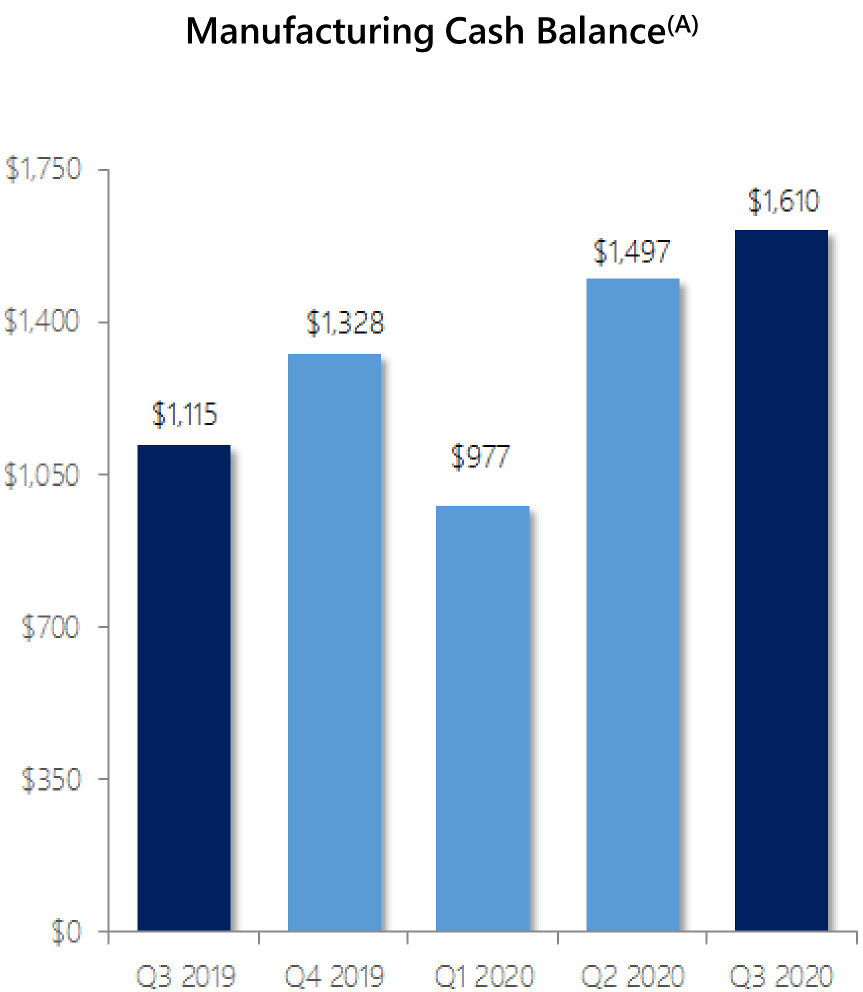
Third Quarter 2020 Segments Results

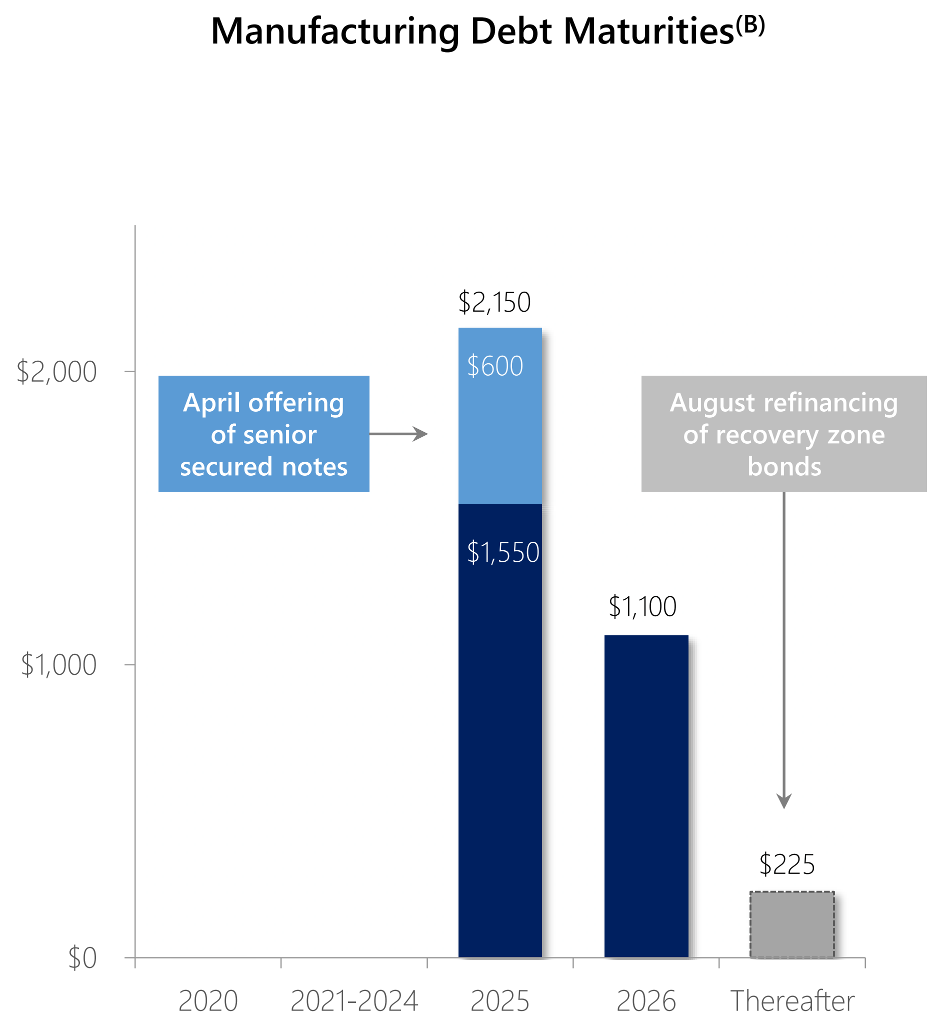
($ in millions)

	Sales and Revenues		Segment Profit (Loss)	
	Quarters Ended July 31		Quarters Ended July 31	
	2020	2019	**2020**	2019
Truck	**$ 1,203**	$ 2,387	**$ (22)**	$ 167
Parts	**414**	571	**97**	149
Global Operations	**47**	90	**1**	1
Financial Services	**49**	74	**10**	30

Strong Cash Balance, No Near-Term Manufacturing Debt Maturities

($ in millions)





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

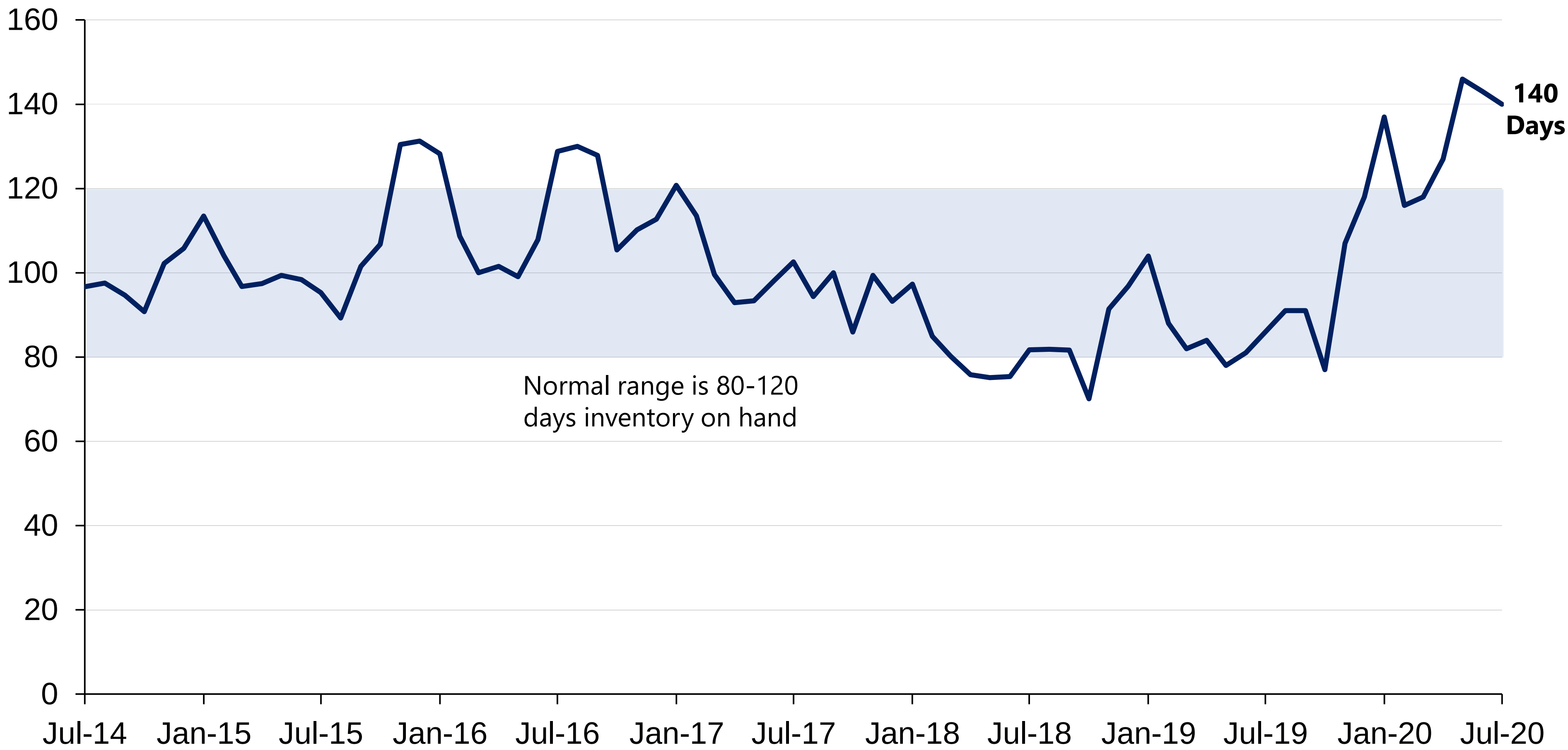
(A) Amounts include manufacturing cash, cash equivalents, and marketable securities. Q3 2020 consolidated equivalent cash balance was $1.6 billion. Amounts exclude restricted cash.

(B) Total manufacturing debt of $3.5 billion as of July 31, 2020. Graph does not include financed lease obligations and other, totaling $89 million.

Appendix

Days Sales Inventory On-Hand

NAVISTAR



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				
	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019	July 31, 2019
Core Markets (U.S. and Canada)					
Class 6 and 7 medium trucks	**22.1%**	22.9%	20.3%	25.9%	**26.8%**
Class 8 heavy trucks	**10.6%**	11.6%	6.1%	14.3%	**13.8%**
Class 8 severe service trucks	**16.5%**	14.6%	14.0%	19.7%	**14.1%**
Combined class 8 trucks	**12.6%**	12.5%	8.5%	15.7%	**13.9%**

Class 6/7
Medium-Duty

Class 8
Heavy

Class 8
Severe Service

Worldwide Truck Chargeouts

(in units)	Three Months Ended July 31, 2020	2019	Change	% Change
Core Markets (U.S. and Canada)				
School Buses	**3,100**	3,900	(800)	(21%)
Class 6 and 7 Medium Trucks	**3,000**	8,400	(5,400)	(64%)
Class 8 Heavy Trucks	**3,000**	9,400	(6,400)	(68%)
Class 8 Severe Service Trucks	**2,300**	2,700	(400)	(15%)
Total Core Markets	**11,400**	24,400	(13,000)	(53%)
Other Markets(A)	**3,500**	7,000	(3,500)	(50%)
Total Worldwide Units	**14,900**	31,400	(16,500)	(53%)
Combined Class 8 Trucks	**5,300**	12,100	(6,800)	(56%)

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 1,500 and 3,300 GM-branded units sold to GM during the three months ended July 31, 2020 and 2019, respectively.

Financial Services Segment

Highlights

- Financial Services segment profit of $10M for Q3 2020 and $51M YTD 2020
- Segment financing availability of $802M as of July 31, 2020
- Financial Services debt/equity leverage of 3.1:1 as of July 31, 2020
- Issued $300M of two-year dealer funding notes in July 2020

NFC[1] Facilities

Dealer Floor Plan

- NFSC wholesale trust as of July 31, 2020
  - $1,250M funding facility
  - Variable portion matures May 2021
  - Term portions mature Sept. 2020, May 2021 and July 2022
- 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.

Frequently Asked Questions

NAVISTAR

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 nine months ended July 31, 2020 and 2019, we contributed $30 million and $140 million, respectively, to our pension plans to meet regulatory funding requirements. We expect to contribute $5 million to our pension plans during the remainder of 2020. During the nine months ended July 31, 2020, under provisions of the Coronavirus Aid, Relief, and Economic Security Act, our previously expected remaining 2020 pension contributions of $157 million are deferred until the first quarter of 2021. During the first quarter of 2019, we accelerated the payment of a substantial portion of our 2019 minimum required funding. 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 we will be required to contribute to our pension plans in 2021 approximately $325 million, and in 2022 and 2023 approximately $185 million and $175 million per year, respectively, 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

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: What adjustments do you make to the ACT forecast to align with company's presentation?

A:

Reconciliation to ACT - Retail Sales	2020
ACT*	194,300
CY to FY Adjustment	15,000
"Other Specialty OEMs" included in ACT's forecast; we do not include these specialty OEMs in our forecast or in our internal/external reports	(5,000)
Total (ACT comparable Class 8 Navistar)	204,300

*Source: ACT N.A. Commercial Vehicle Outlook - August 2020

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)	Quarters Ended Jul. 31, 2020	Apr. 30, 2020	Jan. 31, 2020	Oct. 31, 2019	Jul. 31, 2019
Consolidated Net Cash from Operating Activities	**$ 250**	$ (217)	$ 99	$ 346	$ 294
Less: Net Cash from Financial Services Operations	**71**	(17)	410	142	20
Net Cash from Manufacturing Operations[(A)]	**179**	(200)	(311)	204	274
Less: Capital Expenditures	**25**	31	59	44	24
Manufacturing Free Cash Flow	**$ 154**	$ (231)	$ (370)	$ 160	$ 250

(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 July 31, 2020						
Truck products and services(A)	$ 1,040	$ —	$ —	$ —	$ 3	$ 1043
Truck contract manufacturing	71	—	—	—	—	71
Used trucks	42	—	—	—	—	42
Engines	—	48	35	—	—	83
Parts	1	365	11	—	—	377
Extended warranty contracts	23	—	—	—	—	23
Sales of manufactured products, net	1,177	413	46	—	3	1,639
Retail financing(B)	—	—	—	33	(3)	30
Wholesale financing(B)	—	—	—	6	—	6
Finance revenues	—	—	—	39	(3)	36
Sales and revenues, net	**$ 1,177**	**$ 413**	**$ 46**	**$ 39**	**$ —**	**$ 1,675**

A. Includes other markets primarily consisting of Bus, Export Truck and Mexico.
B. Retail financing revenues in the Financial Services segment include interest revenue of $13 million and $15 million for the three months ended July 31, 2020 and 2019, respectively. Wholesale financing revenues in the Financial Services segment include interest revenue of $6 million and $11 million for the three months ended July 31, 2020 and 2019, respectively.

Outstanding Debt Balances

($ in millions)	July 31, 2020	October 31, 2019
Manufacturing operations		
Senior Secured Term Loan Credit Agreement, due 2025, net of unamortized discount of $5 and $6, respectively, and unamortized debt issuance costs of $8 and $10, respectively	$ 1,547	$ 1,556
9.5% Senior Secured Notes, due 2025, net of unamortized debt issuance costs of $11	589	-
6.625% Senior Notes, due 2026, net of unamortized debt issuance costs of $13 and $15, respectively	1,087	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	48	60
Other	41	11
Total Manufacturing operations debt	3,532	2,932
Less: Current portion	73	32
Net long-term Manufacturing operations debt	$ 3,459	$ 2,900

($ in millions)	July 31, 2020	October 31, 2019
Financial Services operations		
Asset-backed debt issued by consolidated SPEs, at fixed and variable rates, due serially through 2022, net of unamortized debt issuance costs of $4, at both dates	$ 1,008	$ 991
Bank credit facilities, at fixed and variable rates, due dates from 2020 through 2025, net of unamortized debt issuance costs of less than $1 and $1 respectively	914	1,059
Commercial paper, at variable rates, program matures in 2022	-	84
Borrowings secured by operating and finance leases, at various rates, due serially through 2024	105	122
Total Financial Services operations debt	2,027	2,256
Less: Current portion	792	839
Net long-term Financial Services operations debt	$ 1,235	$ 1,417

SEC Regulation G Non-GAAP Reconciliation

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)	Jul. 31, 2020	Apr. 30, 2020	Jan. 31, 2020	Oct. 31, 2019	Jul. 31, 2019
Manufacturing Operations:					
Cash and Cash Equivalents	**$ 1,610**	$ 1,497	$ 977	$ 1,328	$ 1,112
Marketable Securities	-	-	-	-	3
Manufacturing Cash, Cash Equivalents, and Marketable securities	**$ 1,610**	$ 1,497	$ 977	$ 1,328	$ 1,115
Financial Services Operations:					
Cash and Cash Equivalents	**$ 38**	$ 50	$ 23	$ 42	$ 48
Marketable Securities	-	-	-	-	-
Financial Services Cash, Cash Equivalents, and Marketable securities	**$ 38**	$ 50	$ 23	$ 42	$ 48
Consolidated Balance Sheet:					
Cash and Cash Equivalents	**$ 1,648**	$ 1,547	$ 1,000	$ 1,370	$ 1,160
Marketable Securities	-	-	-	0	3
Consolidated Cash, Cash Equivalents, and Marketable securities	**$ 1,648**	$ 1,547	$ 1,000	$ 1,370	$ 1,163

SEC Regulation G Non-GAAP Reconciliations

NAVISTAR

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

($ in millions)	Quarters Ended July 31, 2020	Quarters Ended July 31, 2019
Net income (loss) attributable to NIC	$ (37)	$ 156
Plus:		
Depreciation and amortization expense	47	47
Manufacturing interest expense (A)	55	49
Adjusted for:		
Income tax expense	(8)	(29)
EBITDA	$ 73	$ 281

(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 July 31, 2020	Quarters Ended July 31, 2019
Interest expense	$ 71	$ 76
Less: Financial services interest expense	16	27
Manufacturing interest expense	$ 55	$ 49

($ in millions)	Quarters Ended Jul 31, 2020	Quarters Ended Jul 31, 2019
EBITDA (reconciled above)	$ 73	$ 281
Adjusted for significant items of:		
Adjustments to pre-existing warranties (A)	9	5
Asset impairment charges (B)	12	3
Restructuring of manufacturing operations (C)	4	—
MaxxForce Advanced EGR engine lawsuits (D)	(1)	(31)
Gain on sales (E)	—	3
Debt refinancing charges (F)	—	6
Pension settlement (G)	7	—
Settlement gain (H)	—	(1)
Total adjustments	31	(15)
Adjusted EBITDA	$ 104	$ 266
Adjusted EBITDA Margin	6.2%	8.7%

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 July 31, 2020	2019
Net income (loss) attributable to NIC	$ (37)	$ 156
Adjusted for significant items of:		
Adjustments to pre-existing warranties (A)	9	5
Asset impairment charges (B)	12	3
Restructuring of manufacturing operations (C)	4	—
MaxxForce Advanced EGR engine lawsuits (D)	(1)	(31)
Gain (Loss) on sales (E)	—	3
Debt refinancing charges (F)	—	6
Pension settlement (G)	7	—
Settlement gain (H)	—	(1)
Total adjustments	31	(15)
Tax effect (I)	(2)	6
Adjusted net income (loss) attributable to NIC	$ (8)	$ 147

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

SEC Regulation G Non-GAAP Reconciliation

(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 third quarter of 2020, we recorded $12 million of asset impairment charges related to certain assets under operating leases in our Truck segment.. In the third quarter 2019 we recorded $3 million, of asset impairment charges related to certain assets under operating leases in our Truck segment.

(C) In the third quarter of 2020, we recorded restructuring charges of $4 million, throughout the organization.

(D) In the third quarter of 2020 and 2019, we recognized a net benefit of $1 million and $31 million, respectively, related to the MaxxForce Advanced EGR engine class action settlement and related litigation in our Truck Segment.

(E) In the third quarter of 2019, we recognized a charge of $3 million in our Truck segment for adjustments to the purchase price of the sale of a majority interest in the Navistar Defense business in our Truck segment.

(F) In the third quarter of 2019, we recorded a charge of $6 million for the write off of debt issuance costs and discounts associated with NFC Term Loan.

(G) In the third quarter of 2020, we recorded pension settlement accounting charges of $7 million in Other expense, net in Corporate.

(H) In the third quarter of 2019, we recorded interest income of $1 million, 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.

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