

REV GROUP, INC. REPORTS FISCAL 2021 FOURTH QUARTER AND FULL YEAR RESULTS PROVIDES FISCAL 2022 FULL YEAR GUIDANCE

Dec. 15th, 2021

- Fourth quarter and full year results for the three months ended October 31, 2021 were \$589.9 million, representing a 10% increase from October 31, 2020 ("fourth quarter 2020") and a 10% increase in net sales in the Fire and Emergency and Recreation segments ("full year 2021"), which includes the results for the three months ended October 31, 2020 ("full year 2020").
- Record full year cash flow of \$3.1 billion.
- End of fourth quarter results for the three months ended October 31, 2021 were \$589.9 million, representing a 10% increase from October 31, 2020 ("fourth quarter 2020") and a 10% increase in net sales in the Fire and Emergency and Recreation segments ("full year 2021"), which includes the results for the three months ended October 31, 2020 ("full year 2020").

BROOKFIELD, Wis.--(GlobeNewswire)--REV Group, Inc. (Nasdaq: REV) today reported fourth quarter and full year 2021 financial results. For the fourth quarter 2021, net sales were \$589.9 million, representing a 10% increase from October 31, 2020 ("fourth quarter 2020") and a 10% increase in net sales in the Fire and Emergency and Recreation segments ("full year 2021"), which includes the results for the three months ended October 31, 2020 ("full year 2020").

The company's fourth quarter 2021 net loss was \$44.4 million, or \$0.69 per diluted share, which included a \$6.2 million loss related to restructuring and related activities and impairment of real property at certain facilities within the F&E segment. Adjusted Net Income for the fourth quarter 2021 was \$17.9 million, or \$0.27 per diluted share, compared to Adjusted Net Income of \$11.8 million, or \$0.19 per diluted share, in the fourth quarter 2020. Net income for the full year 2021 was \$44.4 million, or \$0.69 per diluted share, compared to a net loss of \$30.5 million, or \$0.48 per diluted share in full year 2020.

Adjusted EBITDA in the fourth quarter 2021 was \$31.1 million, compared to \$28.0 million in the fourth quarter 2020. The increase in Adjusted EBITDA during the quarter was driven by increased contribution from the Recreation segment and lower corporate expense partially offset by a decrease in the F&E and Commercial segments. Full year 2021 Adjusted EBITDA was \$141.5 million, compared to \$67.5 million in full year 2020.

During the quarter, the company appointed Eric Sandstrom as Senior Vice President, Engineering & Technology, a newly created executive leadership position. The new role will play a critical part in evolving the portfolio, optimizing engineering excellence, and leading product and powertrain design, innovation, and technological advancement. Prior to joining REV Group, Eric was Global Chief Engineer – Electric Propulsion Systems at General Motors.

"We exited the year with another quarter of year-over-year Adjusted EBITDA improvement, generated record full-year Free Cash Flow, and substantially improved the balance sheet. Our record \$3.1 billion backlog combined with the significant progress we have made building our operational capabilities have positioned us well to continue to

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which included a \$6.2 million loss related to restructuring and related activities and impairment of real property at certain facilities within the F&E segment.

Adjusted Net Income for the fourth quarter 2021 was \$17.9 million, or \$0.27 per diluted share, compared to Adjusted Net Income of \$11.8 million, or \$0.19 per diluted share, in the fourth quarter 2020. Net income for the full year 2021 was \$44.4 million, or \$0.69 per diluted share, compared to a net loss of \$30.5 million, or \$0.48 per diluted share in full year 2020.

"We exited the year with another quarter of year-over-year Adjusted EBITDA improvement, generated record full-year Free Cash Flow, and substantially improved the balance sheet. Our record \$3.1 billion backlog combined with the significant progress we have made building our operational capabilities have positioned us well to continue to



improve our performance and create shareholder value.” REV Group Inc. President and CEO Rod Rushing said. “I am proud of the dedication of our employees as they delivered strong performance in fiscal 2021, while navigating through supply chain challenges, difficult labor markets and inflationary headwinds.”

REV Group Fourth Quarter Segment Highlights

Fire & Emergency Segment

F&E segment net sales were \$277.3 million in the fourth quarter 2021, a decrease of \$52.3 million, or 15.9%, from \$329.6 million in the fourth quarter 2020. The decrease in net sales compared to the prior year quarter was primarily due to decreased shipments of fire apparatus and ambulance units compared to the prior year quarter related to supply chain constraints and lower shipments at one fire manufacturing plant related to the impacts of Hurricane Ida. F&E segment backlog at the end of the fourth quarter 2021 was \$1,498.6 million, an increase of \$532.8 million compared to \$965.8 million at the end of the fourth quarter 2020. The increase was primarily the result of continued strong demand and order intake for fire apparatus and ambulance units.

F&E segment Adjusted EBITDA was \$10.1 million in the fourth quarter 2021, a decrease of \$4.7 million, or 31.8%, from \$14.8 million in the fourth quarter 2020. The decrease in profitability was primarily related to lower sales volume and labor inefficiencies resulting from supply chain constraints, inefficiencies related to Hurricane Ida, and the return of certain travel and trade show related costs that were not incurred in the prior year quarter due to COVID-19.

Commercial Segment

Commercial segment net sales were \$394.7 million in the fourth quarter 2021, a decrease of \$91.0 million, or 20.9%, from \$394.7 million in the fourth quarter 2020. The decrease in net sales compared to the prior year quarter was primarily due to increased unit shipments and lower discounting and sales allowances. Backlog at the end of the fourth quarter 2021 was \$1,034.5 million, an increase of \$112.7 million compared to \$921.8 million at the end of the fourth quarter 2020. The increase was primarily the result of continued strong demand and order intake for municipal sweepers, partially offset by a decline in order intake for the terminal truck and trailer segment.

Commercial segment Adjusted EBITDA was \$10.9 million in the fourth quarter 2021, a decrease of \$10.4 million, or 50.0%, from \$10.4 million in the fourth quarter 2020. The decrease in profitability was primarily the result of a temporary suspension of operations at one of the terminal truck and trailer manufacturing plants due to a COVID-19 related temporary suspension of operations at one of the terminal truck and trailer manufacturing plants due to a COVID-19 related

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5 million, or 3.8%, from \$15.1 million in the fourth quarter 2020. The decrease in net sales compared to the prior year quarter was primarily the result of a decline in order intake for municipal sweepers, partially offset by a decline in order intake for the terminal truck and trailer segment.

of \$0.7 million, or 1.2%, from \$57.5 million in the fourth quarter 2020. The decrease in net sales compared to the prior year quarter was primarily the result of a decline in order intake for municipal sweepers, partially offset by increased sales volume for the terminal truck and trailer segment.

Recreation Segment

Recreation segment net sales were \$217.9 million in the fourth quarter 2021, an increase of \$23.7 million, or 12.2%, from \$194.2 million in the fourth quarter 2020. The increase in net sales compared to the prior year quarter was primarily due to increased unit shipments and lower discounting and sales allowances. Backlog at the end of the fourth quarter 2021 was \$1,234.5 million, an increase of \$695.6 million compared to \$538.9 million at the end of the fourth quarter 2020. The increase was primarily the result of strong demand and order intake across all product categories.

Recreation segment Adjusted EBITDA was \$21.7 million in the fourth quarter 2021, an increase of \$1.2 million, or 5.9%, from \$20.5 million in the fourth quarter 2020. Profitability within the segment benefited primarily from increased production volumes, strong price realization, lower discounting and sales allowances, and benefits from strategic initiatives designed to improve profitability, partially offset by inefficiencies resulting from supply chain disruptions and labor constraints.

Working Capital, Liquidity, and Capital Allocation

Cash and cash equivalents totaled \$13.3 million as of October 31, 2021. Net Debt was \$201.7 million, and the company had \$290.0 million available under its ABL revolving credit facility as of October 31, 2021, an increase of \$13.2 million as compared to the July 31, 2021 availability of \$276.8 million. Trade Working Capital³ for the company as of October 31, 2021 was \$368.2 million, compared to \$426.9 million as of October 31, 2020. The decrease was

primarily due to decreased accounts receivable, decreased inventory and increased customer advances partially offset by decreased payables. Capital expenditures in the fourth quarter 2021 were \$10.8 million compared to \$3.8 million in the fourth quarter 2020. During the fourth quarter 2021, the company repurchased a total of 250,000 of its common shares for \$3.9 million at an average purchase price of \$15.45.

Fiscal Year 2022 Outlook

The company provided its outlook for its fiscal year ending October 31st, 2022, which includes the following performance expectations:

- Net sales of \$2.3 to \$2.55 billion
- Net income of \$45 to \$73 million
- Adjusted EBITDA of \$125 to \$155 million
- Adjusted Net Income of \$64 to \$89 million
- Free Cash Flow⁴ of \$58 to \$80 million

Quarterly Dividend

The company's board stock, which equates to 2022, to shareholders

Conference Call

A conference call to discuss the results for the quarter ended December 15, 2021, and the company's long-term growth strategy will be held on January 12, 2022, at 10:00 a.m. Eastern Time. The call will be webcast live on the company's relations website. The webcast will be available at <http://investors.revgrowth.com> for approximately 90 days following the call. To follow instructions for listening to the call, please go to <http://investors.revgrowth.com>.

About REV Group, Inc.

REV Group (REVG) consists of two segments: Fire & Emergency applications, including fire trucks and buses), commercial vehicles, and recognizable names which have and date back more than 100 years.

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Note Regarding Non-GAAP Measures

The company reports its financial results in accordance with U.S. generally accepted accounting principles ("GAAP"). However, management believes that the evaluation of our ongoing operating results may be enhanced by a presentation of Adjusted EBITDA and Adjusted Net Income, which are non-GAAP financial measures. Adjusted EBITDA represents net income before interest expense, income taxes, depreciation and amortization and loss on early extinguishment of debt, as adjusted for certain non-recurring, one-time and other adjustments which we believe are not indicative of our underlying operating performance. Adjusted Net Income represents net income as adjusted for certain after-tax, non-recurring, one-time and other adjustments, which we believe are not indicative of our underlying operating performance, as well as non-cash intangible asset amortization and stock-based compensation. Free Cash Flow represents net cash from operating activities minus capital expenditures. Net debt represents total debt less cash. Trade Working Capital represents accounts receivable plus inventories less accounts payable and customer advances.



The company believes that the use of Adjusted EBITDA, Adjusted Net Income, Trade Working Capital, Free Cash Flow, and Net Debt provide additional meaningful methods of evaluating certain aspects of its operating performance from period to period on a basis that may not be otherwise apparent under GAAP when used in addition to, and not in lieu of, GAAP measures. A reconciliation of Adjusted EBITDA and Adjusted Net Income to the most closely comparable financial measures calculated in accordance with GAAP is included in the financial appendix of this news release.

Cautionary Statement About Forward-Looking Statements

This news release contains statements that the company believes to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. This news release includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements." These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "strives," "goal," "seeks," "projects," "intends," "forecasts," "plans," "may," "will" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout this news release and include statements regarding our intentions, beliefs, goals or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which we operate, including REV Group's outlook for the full fiscal year 2022.

Our forward-looking statements may include "forward-looking statements" as defined under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations and involve risks and uncertainties. Actual results may differ significantly from those expressed or implied. Factors that may affect actual results include, but are not limited to, those described in the company's Annual Report on Form 10-K and in the company's Quarterly Reports on Form 10-Q, as well as in the company's other filings with the SEC, which risks and uncertainties are described in the company's Annual Report on Form 10-K and in the company's Quarterly Reports on Form 10-Q. The company disclaims any obligation to update or revise any forward-looking statements, which are based on the information available on the date of this news release, to reflect any change in the company's expectations or any change in circumstances or in the environment in which the company operates. The company does not undertake to update or revise any forward-looking statements to reflect the occurrence of unanticipated events.

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ed under "Risk Factors" and "Cautionary Statement About Forward-Looking Statements" in the company's Annual Report on Form 10-K, and in the company's Quarterly Reports on Form 10-Q, as well as in the company's other filings with the SEC, which risks and uncertainties are described in the company's Annual Report on Form 10-K and in the company's Quarterly Reports on Form 10-Q. The company disclaims any obligation to update or revise any forward-looking statements, which are based on the information available on the date of this news release, to reflect any change in the company's expectations or any change in circumstances or in the environment in which the company operates. The company does not undertake to update or revise any forward-looking statements to reflect the occurrence of unanticipated events.

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CONSOLIDATED BALANCE SHEETS (In millions, except per share amounts)

	October 31, 2021		October 31, 2020	
ASSETS				
Current assets:				
Cash and cash equivalents	\$	13.3	\$	11.4
Accounts receivable, net		213.3		229.3
Inventories, net		481.7		537.2
Other current assets		52.7		34.1
Total current assets		761.0		812.0
Property, plant and equipment, net		157.6		168.4
Goodwill		157.3		157.3
Intangible assets, net		126.3		136.1
Right of use assets		19.1		23.2
Other long-term assets		17.0		15.3
Total assets	\$	1,238.3	\$	1,312.3
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				

Current portion of long-term debt	\$ —	\$ 1.7
Accounts payable	116.2	169.5
Customer advances	210.6	170.1
Accrued warranty	22.3	24.1
Short-term lease obligations	7.1	8.4
Other current liabilities	80.8	73.5
Total current liabilities	437.0	447.3
Long-term debt, less current maturities	215.0	340.5
Deferred income taxes	21.4	2.9
Long-term lease obligations	12.8	16.9
Other long-term liabilities	33.3	32.4
Total liabilities	719.5	840.0
Commitments and contingencies		
Shareholders' Equity:		
Preferred stock (\$.001 par value, 95,000,000 shares authorized; none issued or outstanding)	—	—
Common stock (\$.001 par value, 605,000,000 shares authorized; 64,584,291 and 63,403,326 shares issued and outstanding, respectively)	0.1	0.1
Additional paid-in capital	502.1	496.1
Retained earnings (deficit)	16.7	(21.1)
Accumulated other	(0.1)	(2.8)
Total shareholder	8.8	472.3
Total liabilities and shareholder equity	68.3	\$ 1,312.3

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	Three Months Ended		
	July 31, 2020	October 31, 2020	January 31, 2021
Net sales	80.8	\$ 2,277.6	89.8
Cost of sales	89.8	2,049.5	91.0
Gross profit	91.0	228.1	89.0
Operating expenses:			204.9
Selling, general and administrative	4.4	5.8	9.8
Research and development	9.8	13.3	2.5
Amortization of intangible assets	1.6	3.9	9.9
Restructuring	1.5	8.4	1.5
Impairment charges	54.4	63.8	207.2
Total operating expenses	10.9	(2.1)	246.0
Operating income (loss)	10.9	(2.1)	83.8
Interest expense, net	3.0	5.4	17.3
Loss on early extinguishment of debt	—	—	1.4
Loss on sale of business	—	1.8	2.8
Loss on investment in China JV	6.2	—	6.2
Loss (gain) on acquisition of business	—	3.3	0.4
Income (loss) before provision (benefit) for income taxes	1.7	(12.6)	55.7
Provision (benefit) for income taxes	1.7	(2.4)	(46.1)
Net income (loss)	—	(10.2)	11.3
			(15.6)
			44.4
			(30.5)

Net Income (loss) per common share:

Basic	\$ —	\$ (0.16)	\$ 0.70	\$ (0.48)
Diluted	\$ —	\$ (0.16)	\$ 0.69	\$ (0.48)
Dividends declared per common share	\$ 0.05	\$ —	\$ 0.10	\$ 0.10

Adjusted income per common share:

Basic	\$ 0.28	\$ 0.19	\$ 1.21	\$ 0.15
Diluted	\$ 0.27	\$ 0.19	\$ 1.19	\$ 0.15

Weighted Average Shares Outstanding:

Basic	63,791,337	63,142,857	63,388,575	63,044,872
Diluted	65,204,303	63,142,857	64,652,625	63,044,872

REV GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Fiscal Year Ended		
	October 31, 2021	October 31, 2020	October 31, 2019
Cash flows from operating activities:			
Net income (loss) before non-controlling interest	\$ 44.4	\$ (30.5)	\$ (13.1)
Adjustments to reconcile net income (loss) before non-controlling interest to net cash provided by operating activities:			
Depreciation and amortization	32.0	40.2	45.7
Amortization of debt	2.5	2.0	—
Stock-based compensation	7.8	7.2	—
Deferred income	(7.8)	(5.0)	—
Loss on early extinguishment of debt	—	—	—
Gain on sale of assets	(1.2)	(1.9)	—
Impairment charges	2.1	8.9	—
Loss on sale of businesses	(1.1)	—	—
Loss on investments	—	—	—
Loss (gain) on acquisitions	(8.6)	—	—
Changes in operating assets and liabilities:			
Receivables, net	4.1	13.4	—
Inventories, net	(7.1)	(2.7)	—
Other current assets	(1.8)	(9.8)	—
Accounts payable	(6.7)	(17.2)	—
Accrued warranty	2.9	(8.6)	—
Customer advances	4.9	12.1	—
Other liabilities	7.7	24.6	—
Long-term assets	1.9	(3.1)	—
Net cash provided by operating activities	55.7	52.5	—
Cash flows from investing activities:			
Purchase of property, plant and equipment	(24.7)	(13.5)	(20.8)
Purchase of rental and used vehicles	—	(3.3)	(3.0)
Proceeds from sale of assets	12.5	11.3	19.5
Proceeds from sale of businesses	2.0	54.5	4.5
Acquisition of businesses, net of cash acquired	—	(47.3)	—
Net cash (used in) provided by investing activities	(10.2)	1.7	0.2
Cash flows from financing activities:			
Net proceeds (repayments) from borrowings on revolving credit	175.0	(35.1)	(90.0)
Net proceeds from borrowings of Term Loan	—	—	49.2
Repayment of long-term debt	(303.4)	(3.3)	(1.5)
Payment of dividends	(6.6)	(9.5)	(12.5)
Repurchase and retirement of common stock	(3.9)	—	(8.3)
Payment of debt issuance costs	(7.0)	(1.0)	(0.2)
Proceeds from exercise of common stock options	2.0	0.8	0.6
Other financing activities	(2.3)	(1.2)	1.4
Net cash used in financing activities	(146.2)	(49.3)	(61.3)
Net increase (decrease) in cash and cash equivalents	1.9	8.1	(8.6)
Cash and cash equivalents, beginning of year	11.4	3.3	11.7
Cash and cash equivalents, end of year	\$ 13.3	\$ 11.4	\$ 3.3

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Supplemental disclosures of cash flow information:

Cash paid for:				
Interest	\$ 14.8	\$ 23.2	\$ 30.3	
Income taxes, net of refunds	\$ 3.8	\$ 5.5	\$ (9.1)	

REV GROUP, INC. AND SUBSIDIARIES
SEGMENT INFORMATION
(In millions; unaudited)

	(Unaudited)			
	Three Months Ended		Twelve Months Ended	
	October 31,		2021	2020
Net Sales:				
Fire & Emergency	\$ 277.3	\$ 329.6	\$ 1,135.1	\$ 1,132.0
Commercial	94.5	91.0	387.3	484.8
Recreation	217.9	194.2	858.5	657.8
Corporate & Other	0.1	1.5	(0.1)	3.0
Total	\$ 589.8	\$ 616.3	\$ 2,380.8	\$ 2,277.6

Adjusted EBITDA:

Fire & Emergency	\$ 67.7	\$ 39.9
Commercial	61.0	34.5
Recreation	36.0	38.4
Corporate & Other	(3.2)	(45.3)
Total	\$ 115.5	\$ 67.5

Adjusted EBITDA Margin:

Fire & Emergency	5.1%	3.5%
Commercial	8.0%	7.1%
Recreation	0.0%	5.8%
Corporate & Other	n/m	n/m
Total	5.9%	3.0%

	Increase (Decrease)		%
	2021	2020	
Period-End Backlog:			
Fire & Emergency	\$ 62.8	\$ 56.0	55%
Commercial	10.9	12.0	44%
Recreation	1,234.5	538.9	695.6
Total Backlog	\$ 3,127.8	\$ 1,778.5	\$ 1,349.3
			76%

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REV GROUP, INC. AND SUBSIDIARIES
ADJUSTED EBITDA BY SEGMENT
(In millions; unaudited)

	Three Months Ended October 31, 2021				
	Fire & Emergency	Commercial	Recreation	Corporate & Other	Total
Net (loss) income	\$ (1.4)	\$ 4.6	\$ 16.7	\$ (19.9)	\$ —
Depreciation & amortization	3.0	0.7	3.6	0.5	7.8
Interest expense, net	1.2	—	—	1.7	2.9
Loss on early extinguishment of debt	—	—	—	—	—
Benefit for income taxes	—	—	—	1.7	1.7
EBITDA	2.8	5.3	20.3	(16.0)	12.4
Sponsor expense reimbursement	—	—	—	0.2	0.2

Restructuring	1.6	—	—	—	1.6
Impairment charges	1.5	—	—	—	1.5
Stock-based compensation expense	—	—	—	2.3	2.3
Legal matters	—	—	—	0.8	0.8
Net loss on sale of business and assets	—	—	—	6.2	6.2
Other items	4.2	0.4	1.4	0.1	6.1
Adjusted EBITDA	\$ 10.1	\$ 5.7	\$ 21.7	\$ (6.4)	\$ 31.1

	Three Months Ended October 31, 2020				
	Fire & Emergency	Commercial	Recreation	Corporate & Other	Total
Net income (loss)	\$ 5.2	\$ 4.3	\$ 16.8	\$ (36.5)	\$ (10.2)
Depreciation & amortization	3.3	1.0	3.5	1.6	9.4
Interest expense, net	1.0	—	0.2	4.2	5.4
Provision for income taxes	—	—	—	(2.4)	(2.4)
EBITDA	9.5	5.3	20.5	(33.1)	2.2
Transaction expenses	—	0.1	—	0.6	0.7
Sponsor expense reimbursement	—	—	—	0.3	0.3
Restructuring	—	—	—	1.7	3.9
Restructuring related	—	—	—	6.5	6.6
Impairment charges	—	—	—	5.1	8.4
Stock-based compensation expense	—	—	—	0.6	0.6
Legal matters	—	—	—	0.2	0.2
Loss on sale of business	—	—	—	1.1	1.8
Gain on acquisition	—	—	—	3.3	3.3
Adjusted EBITDA	—	—	—	3.7)	\$ 28.0

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	2021	2020	2019	2018	Total
Net income (loss)	\$ 44.4	\$ 32.0	\$ 11.2)	\$ 44.4	
Depreciation & amortization	12.0	2.9	14.2	2.9	32.0
Interest expense, net	5.5	0.7	0.1	11.0	17.3
Loss on early extinguishment of debt	—	—	—	1.4	1.4
Provision for income taxes	—	—	—	11.3	11.3
EBITDA	45.8	30.6	84.6	(54.6)	106.4
Transaction expenses	—	—	—	3.2	3.2
Sponsor expense reimbursement	—	—	—	0.4	0.4
Restructuring	1.6	—	—	0.9	2.5
Restructuring related charges	0.3	—	—	—	0.3
Impairment charges	1.5	—	—	—	1.5
Stock-based compensation expense	—	—	—	7.8	7.8
Legal matters	1.7	—	—	2.3	4.0
Net loss on sale of business and assets	1.6	—	—	6.3	7.9
Gain on acquisition of business	—	—	—	0.4	0.4
Other items	4.2	0.4	1.4	0.1	6.1

Earnings attributable to assets held for sale	1.0	—	—	—	1.0
Adjusted EBITDA	\$ 57.7	\$ 31.0	\$ 86.0	\$ (33.2)	\$ 141.5
Twelve Months Ended October 31, 2020					
	Fire & Emergency	Commercial	Recreation	Corporate & Other	Total
Net income (loss)	\$ 12.3	\$ 21.9	\$ 23.7	\$ (88.4)	\$ (30.5)
Depreciation & amortization	13.5	5.7	13.7	7.3	40.2
Interest expense, net	4.5	0.9	0.6	19.7	25.7
Benefit for income taxes	—	—	—	(15.6)	(15.6)
EBITDA	30.3	28.5	38.0	(77.0)	19.8
Transaction expenses	0.2	0.1	—	3.0	3.3
Sponsor expense reimbursement	—	—	—	0.5	0.5
Restructuring	6.1	0.2	0.4	3.2	9.9
Restructuring related charges	—	0.1	—	10.4	10.5
Impairment charges	3.3	—	—	8.8	12.1
Stock-based compensation expense	—	—	—	7.8	7.8
Legal matters	—	—	—	1.8	1.8
Loss on sale of business	—	—	—	4.9	11.1
Gain on acquisition	—	—	—	(8.6)	(8.6)
Earnings attributable to assets held for sale	—	—	—	(0.2)	(0.8)
Deferred purchase price payment	—	—	—	0.1	0.1
Adjusted EBITDA	—	—	—	\$ 67.5	—

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	Twelve Months Ended October 31,	
	2019	2020
Net income (loss)	\$ 4.4	\$ (30.5)
Amortization of intangible assets	9.8	13.3
Transaction expenses	3.2	3.3
Sponsor expense reimbursement	0.2	0.3
Restructuring	1.6	3.9
Restructuring related charges	—	6.6
Impairment charges	1.5	8.4
Stock-based compensation expense	2.3	0.6
Legal matters	0.8	0.2
Net loss on sale of business and assets	6.2	1.8
Gain (loss) on acquisition of business	—	3.3
Other items	6.1	—
Losses (earnings) attributable to assets held for sale	—	1.0
Deferred purchase price payment	—	—
Loss on early extinguishment of debt	—	1.4
Impact of tax rate change	—	(4.2)
Income tax effect of adjustments	(3.2)	(6.7)
Adjusted Net Income	\$ 17.9	\$ 11.8
	\$ 76.9	\$ 9.5



(In millions)

	Fiscal Year 2022	
	Low	High
Net income (1)	\$ 45.0	\$ 72.7
Depreciation and amortization	31.0	29.0
Interest expense, net	13.0	11.0
Provision for income taxes	16.6	26.9
EBITDA	105.6	139.6
Sponsor expense reimbursement	0.4	0.4
Restructuring	10.0	7.0
Stock-based compensation expense	9.0	8.0
Adjusted EBITDA	\$ 125.0	\$ 155.0

REV GROUP, INC. AND SUBSIDIARIES
ADJUSTED NET INCOME OUTLOOK RECONCILIATION
(In millions)

	Fiscal Year 2022	
	Low	High
Net income (1)	\$ 45.0	\$ 72.7
Amortization of intangible assets	7.1	7.1
Sponsor expense reimbursement	0.4	0.4
Restructuring	0.0	7.0
Stock-based compensation expense	9.0	8.0
Income tax effect of the above	(7.2)	(6.1)
Adjusted Net Income	\$ 54.3	\$ 89.1

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