

REV GROUP, INC. REPORTS STRONG THIRD QUARTER RESULTS, RAISES FISCAL 2023 OUTLOOK

Sep. 13th, 2023

- Third quarter net sales of \$680.0 million compared to \$594.8 million in the prior year quarter
- Third quarter net income of \$14.9 million compared to net income of \$9.5 million in the prior year quarter
- Third quarter Adjusted EBITDA¹ of \$39.4 million compared to \$29.5 million in the prior year quarter
- Third quarter Adjusted Net Income of \$20.9 million compared to \$14.3 million in the prior year quarter
- Raises full-year fiscal 2023 outlook for net sales of \$2.55 to \$2.6 billion, net income outlook of \$27 to \$37 million, Adjusted EBITDA of \$135 to \$145 million, Adjusted Net Income of \$63 to \$73 million, and Free Cash Flow of \$70 to \$75 million

BROOKFIELD, Wis.--(BUSINESS WIRE)-- REV Group, Inc. (NYSE: REVG), a manufacturer of industry-leading specialty vehicles, today reported results for the three months ended July 31, 2023 ("third quarter 2023"). Consolidated net sales in the third quarter 2023 were \$680.0 million, representing an increase of 14.3% compared to \$594.8 million for the three months ended July 31, 2022 ("third quarter 2022"). The increase in consolidated net sales was primarily due to higher net sales, including price realization, within the Fire & Emergency ("F&E") and Commercial segments, partially offset by lower net sales in the Recreation segment.

The company's third quarter 2023 net income was \$14.9 million, or \$0.25 per diluted share, which included \$1.9 million of restructuring related charges within the F&E segment and corporate. Adjusted Net Income for the third quarter 2023 was \$20.9 million, or \$0.35 per diluted share, compared to Adjusted Net Income of \$14.3 million, or \$0.24 per diluted share, in the third quarter 2022. Adjusted EBITDA in the third quarter 2023 was \$39.4 million, compared to \$29.5 million in the third quarter 2022. The increase in Adjusted EBITDA during the quarter was primarily due to higher contributions from F&E and Commercial segments, partially offset by lower results in the Recreation segment.

"We are pleased to have delivered another strong quarter of operational improvements and financial performance which included \$56 million of free cash flow and a strengthened balance sheet," REV Group Inc. President and CEO, Mark Skonieczny, said. "We remain focused on execution and advancement of REV Drive lean initiatives designed to reduce manufacturing complexity, improve efficiency, and increase throughput. The progress we have made in these operating programs provides us confidence of continued momentum which is reflected in today's update to our full year fiscal guidance."

REV Group Third Quarter Segment Highlights

Fire & Emergency Segment

¹ REV Group, Inc. Adjusted Net Income and Adjusted EBITDA are non-GAAP measures that are reconciled to their nearest GAAP measure later in this release.

Fire & Emergency (F&E) segment net sales were \$322.9 million in the third quarter 2023, an increase of \$92.8 million, or 40.3%, from \$230.1 million in the third quarter 2022. The increase in net sales compared to the prior year quarter was primarily due to increased shipments of fire apparatus and ambulance units, a favorable mix of ambulance units, and price realization. Increased shipments of fire apparatus were primarily the result of an improved supply chain, and labor efficiencies related to initiatives put in place designed to increase productivity. Increased shipments of ambulance units were primarily the result of an improved supply chain, labor efficiencies, and increased headcount that resulted in higher line rates. F&E segment backlog at the end of the third quarter 2023 was \$3,220.5 million, an increase of \$1,057.4 million compared to \$2,163.1 million at the end of the third quarter 2022. The increase was primarily the result of continued demand and strong order intake for fire apparatus and ambulance units, and pricing actions.

F&E segment Adjusted EBITDA was \$18.1 million in the third quarter 2023, an increase of \$17.1 million, from Adjusted EBITDA of \$1.0 million in the third quarter 2022. Profitability within the segment was impacted by higher sales volume, a favorable mix of ambulance units, efficiencies related to productivity initiatives, an improved supply chain and labor markets, and price realization, partially offset by inflationary pressures.

Commercial Segment

Commercial segment net sales were \$143.3 million in the third quarter 2023, an increase of \$32.3 million, or 29.1%, from \$111.0 million in the third quarter 2022. The increase in net sales compared to the prior year quarter was primarily due to higher shipments of school buses, municipal transit buses, terminal trucks and street sweepers, and price realization, partially offset by an unfavorable mix of municipal transit buses. Increased shipments within the segment were primarily related to initiatives put in place designed to increase throughput, and an improved supply chain. Commercial segment backlog at the end of the third quarter 2023 was \$507.7 million, a decrease of \$23.0 million compared to \$530.7 million at the end of the third quarter 2022. The decrease was primarily the result of lower orders for terminal trucks, street sweepers, and municipal transit buses, partially offset by strong orders for school buses, and pricing actions.

Commercial segment Adjusted EBITDA was \$11.6 million in the third quarter 2023, an increase of \$4.8 million, or 70.6%, from \$6.8 million in the third quarter 2022. The increase was primarily the result of increased shipments of school buses, terminal trucks, and street sweepers, and price realization, partially offset by an unfavorable mix and supply chain challenges within municipal transit buses, and inflationary pressures.

Recreation Segment

Recreation segment net sales were \$214.5 million in the third quarter 2023, a decrease of \$39.6 million, or 15.6%, from \$254.1 million in the third quarter 2022. The decrease in net sales compared to the prior year quarter was primarily due to decreased unit shipments, an unfavorable mix of motorized units, and increased discounting, partially offset by price realization. Recreation segment backlog at the end of the third quarter 2023 was \$408.6 million, a decrease of \$834.3 million compared to \$1,242.9 million at the end of the third quarter 2022. The decrease was primarily the result of production against backlog, order cancellations, and lower order intake in certain product categories.

Recreation segment Adjusted EBITDA was \$18.4 million in the third quarter 2023, a decrease of \$11.4 million, or 38.3%, from \$29.8 million in the third quarter 2022. The decrease was primarily due to lower unit shipments, unfavorable category mix, inflationary pressure, and increased discounting, partially offset by price realization.

Working Capital, Liquidity, and Capital Allocation

Cash and cash equivalents totaled \$11.0 million as of July 31, 2023. Net debt² was \$168.0 million, and the company had \$355.9 million available under its ABL revolving credit facility as of July 31, 2023, an increase of \$48.2 million as compared to the October 31, 2022 availability of \$307.7 million. Trade working capital³ for the company as of July 31, 2023 was \$313.1 million, compared to \$347.8 million as of October 31, 2022. The decrease was primarily due to a decrease in accounts receivable, increased accounts payable and increased customer advances, partially offset by an increase in inventory. Capital expenditures in the third quarter 2023 were \$9.1 million compared to \$7.4 million in the third quarter 2022.

² Net Debt is defined as total debt less cash and cash equivalents.

³ Trade Working Capital is defined as accounts receivable plus inventories less accounts payable and customer advances.

Updated Fiscal Year 2023 Outlook

Full	Fiscal	Year	2023

	 Updated	ance	Prior Guidance				
(\$ in millions)	 Low		High		Low		High
Net Sales	\$ 2,550	\$	2,600	\$	2,450	\$	2,550
Net Income	\$ 27	\$	37	\$	15	\$	30
Adjusted EBITDA	\$ 135	\$	145	\$	120	\$	135
Adjusted Net Income	\$ 63	\$	73	\$	48	\$	62
Free Cash Flow⁴	\$ 70	\$	75	\$	43	\$	56

Quarterly Dividend

The company's board of directors declared a quarterly cash dividend in the amount of \$0.05 per share of common stock, payable on October 13, 2023, to shareholders of record on September 29, 2023, which equates to a rate of \$0.20 per share of common stock on an annualized basis.

Conference Call

A conference call to discuss the company's fiscal year 2023 third quarter financial results is scheduled for September 13, 2023, at 10:00 a.m. ET. A supplemental slide deck will be available on the REV Group, Inc. investor relations website. The call will be webcast simultaneously over the Internet. To access the webcast, listeners can go to http://investors.revgroup.com/investor-events-and-presentations/events at least 15 minutes prior to the event and follow instructions for listening to the webcast. An audio replay of the call and related question and answer session will be available for 12 months at this website.

About REV Group

REV Group (REVG) companies are leading designers and manufacturers of specialty vehicles and related aftermarket parts and services. We serve a diversified customer base, primarily in the United States, through three segments: Fire & Emergency, Commercial, and Recreation. We provide customized vehicle solutions for applications, including essential needs for public services (ambulances, fire apparatus, school buses, and transit buses), commercial infrastructure (terminal trucks and industrial sweepers) and consumer leisure (recreational vehicles). Our diverse portfolio is made up of well-established principal vehicle brands, including many of the most recognizable names within their industry. Several of our brands pioneered their specialty vehicle product categories and date back more than 50 years. REV Group trades on the NYSE under the symbol REVG. Investors-REVG

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 applicable, 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 is calculated as net cash from operating activities minus capital expenditures.

The company believes that the use of Adjusted EBITDA, Adjusted Net Income and Free Cash Flow provide additional meaningful methods of evaluating certain aspects of its operating performance from period to period on a basis that

⁴ Free Cash Flow is defined as net cash from operating activities minus capital expenditures.

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 2023.

Our forward-looking statements are subject to risks and uncertainties, including those highlighted under "Risk Factors" and "Cautionary Statement on Forward-Looking Statements" in the company's annual report on Form 10-K, and in the company's subsequent quarterly reports on Form 10-Q, together with the company's other filings with the SEC, which risks and uncertainties may cause actual results to differ materially from those projected or implied by the forward-looking statement. Forward-looking statements are based on current expectations and assumptions and currently available data and are neither predictions nor guarantees of future events or performance. You should not place undue reliance on forward-looking statements, which only speak as of the date hereof. The company does not undertake to update or revise any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, expect as required by applicable law.

REV GROUP, INC. AND SUBSIDIARIES CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEETS (In millions, except share amounts)

	July 31, 2023	,	(Audited) ctober 31, 2022
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 11.0	\$	20.4
Accounts receivable, net	210.6		215.0
Inventories, net	644.0		629.5
Other current assets	 41.4		23.5
Total current assets	907.0		888.4
Property, plant and equipment, net	152.6		148.9
Goodwill	157.3		157.3
Intangible assets, net	116.2		119.2
Right of use assets	38.0		20.2
Other long-term assets	 8.4		10.6
Total assets	\$ 1,379.5	\$	1,344.6
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 192.7	\$	163.9
Short-term customer advances	236.6		258.0
Short-term accrued warranty	21.9		18.9
Short-term lease obligations	7.8		6.1
Other current liabilities	 89.3		80.5
Total current liabilities	548.3		527.4
Long-term debt	179.0		230.0
Long-term customer advances	112.2		74.8
Deferred income taxes	18.6		21.0
Long-term lease obligations	30.4		14.2

Other long-term liabilities	22.4	20.9
Total liabilities	910.9	888.3
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; 59,309,107		
and 59,323,534 shares issued and outstanding, respectively)	0.1	0.1
Additional paid-in capital	442.7	436.4
Retained earnings	26.0	19.5
Accumulated other comprehensive (loss) income	(0.2)	0.3
Total shareholders' equity	468.6	456.3
Total liabilities and shareholders' equity	\$ 1,379.5	\$ 1,344.6

REV GROUP, INC. AND SUBSIDIARIES CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF INCOME (In millions, except share and per share amounts)

	Three Months Ended July 31,			Nine Months Ended July 31,			
		2023		2022	2023		2022
Net sales	\$	680.0	\$	594.8	\$ 1,944.7	\$	1,708.1
Cost of sales		599.8		527.0	1,724.1		1,527.4
Gross profit		80.2		67.8	220.6		180.7
Operating expenses:							
Selling, general and administrative		52.6		46.1	170.6		144.2
Research and development costs		1.3		0.9	3.5		2.9
Amortization of intangible assets		0.6		1.3	3.0		5.7
Restructuring costs		_		2.3	_		8.9
Total operating expenses		54.5		50.6	177.1		161.7
Operating income		25.7		17.2	43.5		19.0
Interest expense, net		7.3		4.3	21.9		11.2
Loss on investment in China JV		_		_	0.7		_
Loss on sale of business		_		_	1.1		0.1
Income before provision for income taxes		18.4		12.9	19.8		7.7
Provision for income taxes		3.5		3.4	4.2		1.2
Net income	\$	14.9	\$	9.5	\$ 15.6	\$	6.5
Net income per common share:							
Basic	\$	0.25	\$	0.16	\$ 0.27	\$	0.11
Diluted	\$	0.25	\$	0.16	\$ 0.26	\$	0.10
Dividends declared per common share	\$	0.05	\$	0.05	\$ 0.15	\$	0.15
Adjusted net income per common share:							
Basic	\$	0.36	\$	0.24	\$ 0.83	\$	0.54
Diluted	\$	0.35	\$	0.24	\$ 0.83	\$	0.53
Weighted Average Shares Outstanding:							
Basic		58,730,037		59,417,336	58,588,712		61,291,966
Diluted		59,155,217		59,922,851	59,041,350		61,993,292

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

Cash flows from operating activities:				
Net income	\$	15.6	\$	6.5
Adjustments to reconcile net income to net cash provided by operating activitie	s:			
Depreciation and amortization		19.7		25.2
Amortization of debt issuance costs		1.2		1.3
Stock-based compensation expense		11.0		6.3
Deferred income taxes		(2.4)		2.2
Gain on sale of assets		(0.5)		(0.5)
Loss on investment in China JV		0.7		_
Loss on sale of business		1.1		0.1
Changes in operating assets and liabilities, net		27.0		18.4
Net cash provided by operating activities		73.4		59.5
Cash flows from investing activities:				
Purchase of property, plant and equipment		(19.7)		(15.9)
Proceeds from sale of assets		0.5		2.8
Proceeds from sale of China JV		0.6		1.8
Proceeds from sale of a business		0.6		_
Net cash used in investing activities		(18.0)		(11.3)
Cash flows from financing activities:		` ,		` ,
Net (payments) proceeds from borrowings on revolving credit facility		(51.0)		35.0
Payment of dividends		(9.1)		(9.4)
Repurchase and retirement of common stock		_		(70.0)
Other financing activities		(4.7)		(2.3)
Net cash used in financing activities		(64.8)		(46.7)
Net (decrease) increase in cash and cash equivalents		(9.4)		1.5
Cash and cash equivalents, beginning of period		20.4		13.3
Cash and cash equivalents, end of period	\$	11.0	\$	14.8
	,		<u> </u>	
Supplemental disclosures of cash flow information:				
Cash paid (received) for:				
Interest	\$	18.5	\$	7.6
Income taxes, net of refunds	\$	7.0	\$	(15.1)
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REV GROUP, INC. AND SUBSIDIARIES SEGMENT INFORMATION (In millions; unaudited)

	-	Three Months Ended July 31,			Nine Months Ended July 31			ed July 31,
	_	2023		2022		2023		2022
Net Sales:	_							
Fire & Emergency	\$	322.9	\$	230.1	\$	835.3	\$	712.5
Commercial		143.3		111.0		413.9		299.2
Recreation		214.5		254.1		697.1		697.7
Corporate & Other		(0.7)		(0.4)		(1.6)		(1.3)
Total	\$	680.0	\$	594.8	\$	1,944.7	\$	1,708.1
Adjusted EBITDA:								
Fire & Emergency	\$	18.1	\$	1.0	\$	25.6	\$	0.6
Commercial		11.6		6.8		29.6		19.0
Recreation		18.4		29.8		71.9		75.6
Corporate & Other		(8.7)		(8.1)		(24.5)		(23.6)
Total	\$	39.4	\$	29.5	\$	102.6	\$	71.6
Adjusted EBITDA Margin:								
Fire & Emergency		5.6%		0.4%		3.1%		0.1%
Commercial		8.1%		6.1%		7.2%		6.4%
Recreation		8.6%		11.7%		10.3%		10.5%
Total		5.8%		5.0%		5.3%		4.2%
								Dogo 6 of 1

Period-End Backlog:	July 31, 2023	April 30, 2023	J	anuary 31, 2023	July 31, 2022
Fire & Emergency	\$ 3,220.5	\$ 2,857.3	\$	2,674.3	\$ 2,163.1
Commercial	507.7	501.2		497.7	530.7
Recreation	408.6	495.0		988.1	1,242.9
Total	\$ 4,136.8	\$ 3,853.5	\$	4,160.1	\$ 3,936.7

REV GROUP, INC. AND SUBSIDIARIES ADJUSTED EBITDA BY SEGMENT

(In millions; unaudited)

Three Months Ended July 31, 2023

	Fire &		Corporate &				
	Emergency	Commercial	Recreation	Other	Total		
Net income (loss)	\$ 12.3	\$ 9.7	\$ 16.6	\$ (23.7)	\$ 14.9		
Depreciation and amortization	3.2	0.8	1.7	0.6	6.3		
Interest expense, net	2.2	0.3	0.1	4.7	7.3		
Provision for income taxes	_	_	_	3.5	3.5		
EBITDA	17.7	10.8	18.4	(14.9)	32.0		
Transaction expenses	_	_	_	0.1	0.1		
Restructuring related charges	0.4	_	_	1.5	1.9		
Stock-based compensation							
expense	_	_	_	3.5	3.5		
Legal matters	<u> </u>	_	_	1.1	1.1		
Other items	_	0.8	_	_	0.8		
Adjusted EBITDA	\$ 18.1	\$ 11.6	\$ 18.4	\$ (8.7)	\$ 39.4		

Three Months Ended July 31, 2022

		Tiffee Month's Ended July 31, 2022										
	Fire &			Corporate &	_							
	Emergency	Commercial	Recreation	Other	Total							
Net (loss) income	\$ (5.9)	\$ 6.0	\$ 26.3	\$ (16.9)	9.5							
Depreciation and amortization	2.8	0.7	2.8	0.6	6.9							
Interest expense, net	1.7	0.1	_	2.5	4.3							
Provision for income taxes	_	_	_	3.4	3.4							
EBITDA	(1.4)	6.8	29.1	(10.4)	24.1							
Transaction expenses	_	_	_	0.1	0.1							
Restructuring costs	2.3	_	_	_	2.3							
Stock-based compensation												
expense	_	_	_	1.8	1.8							
Legal matters	0.1		0.7	0.4	1.2							
Adjusted EBITDA	\$ 1.0	\$ 6.8	\$ 29.8	\$ (8.1)	\$ 29.5							

REV GROUP, INC. AND SUBSIDIARIES ADJUSTED EBITDA BY SEGMENT

(In millions; unaudited)

Nine Months Ended July 31, 2023

	Fi	re &			Corporate &					
	Eme	rgency	Commercial	Recreation	Other	Total				
Net income (loss)	\$	4.0	\$ 25.	5 \$ 64.9	\$ (78.8)	\$ 15.6				
Depreciation & amortization		9.4	2.3	3 6.3	1.7	19.7				
Interest expense, net		6.3	1.0	0.2	14.4	21.9				
Provision for income taxes		_	_		4.2	4.2				
EBITDA		19.7	28.8	71.4	(58.5)	61.4				
Transaction expenses		_	_	_	- 0.5	0.5				

Sponsor expense					
reimbursement	_	_	_	0.2	0.2
Restructuring related charges	4.1	_	_	6.4	10.5
Stock-based compensation					
expense	_	_	_	11.0	11.0
Legal matters	0.9	_	0.5	15.2	16.6
Loss on sale of business	1.1	_	_	_	1.1
Other items	(0.2)	0.8	_	0.7	1.3
Adjusted EBITDA	\$ 25.6	\$ 29.6	\$ 71.9	\$ (24.5)	\$ 102.6

	Nine Months Ended July 31, 2022					
	Fire &					
	Emergency	Commercial	Recreation	Other	Total	
Net (loss) income	\$ (32.9) \$ 16.6	\$ 64.8	\$ (42.0)	\$ 6.5	
Depreciation & amortization	11.2	2.2	10.1	1.7	25.2	
Interest expense, net	4.9	0.2	_	6.1	11.2	
Benefit for income taxes	_	_		1.2	1.2	
EBITDA	(16.8) 19.0	74.9	(33.0)	44.1	
Transaction expenses	_	_	_	0.6	0.6	
Sponsor expense						
reimbursement	_	_	_	0.1	0.1	
Restructuring costs	8.8	_	_	0.1	8.9	
Restructuring related charges	5.1	_	_	_	5.1	
Stock-based compensation						
expense	_	_	_	6.3	6.3	
Legal matters	3.4	_	0.7	2.3	6.4	
Loss on sale of business	0.1				0.1	
Adjusted EBITDA	\$ 0.6	\$ 19.0	\$ 75.6	\$ (23.6)	\$ 71.6	

REV GROUP, INC. AND SUBSIDIARIES ADJUSTED NET INCOME (In millions; unaudited)

	Three Months Ended July 31,		Nine Months Ended July 31,				
		2023	2022		2023		2022
Net income	\$	14.9	\$ 9.5	\$	15.6	\$	6.5
Amortization of intangible assets		0.6	1.3		3.0		5.7
Transaction expenses		0.1	0.1		0.5		0.6
Sponsor expense reimbursement		_			0.2		0.1
Restructuring costs		_	2.3		_		8.9
Restructuring related charges		1.9			10.5		5.1
Stock-based compensation expense		3.5	1.8		11.0		6.3
Legal matters		1.1	1.2		16.6		6.4
Loss on sale of business		_	_		1.1		0.1
Other items		0.8			1.3		
Accelerated depreciation on certain property,							
plant, and equipment		_	_		_		2.3
Income tax effect of adjustments		(2.0)	 (1.9)		(11.0)		(9.1)
Adjusted Net Income	\$	20.9	\$ 14.3	\$	48.8	\$	32.9

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

	Fiscal Year 2023			
	Low	High		
Net income ⁽⁵⁾	\$ 26.5	\$ 37.2		

Depreciation and amortization	26.5	25.5
Interest expense, net	29.0	27.0
Provision for income taxes	8.1	11.4
EBITDA	90.1	101.1
Sponsor expense reimbursement	0.4	0.4
Transaction expense	0.5	0.5
Restructuring related charges	10.5	10.5
Stock-based compensation expense	14.5	13.5
Legal matters	16.6	16.6
Loss on sale of business	1.1	1.1
Other items	1.3	1.3
Adjusted EBITDA	\$ 135.0	\$ 145.0

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

	Fiscal Year 2023		
	 Low	High	
Net income ⁽⁵⁾	\$ 26.5	\$ 37.2	
Amortization of intangible assets	3.5	3.5	
Transaction expenses	0.5	0.5	
Sponsor expense reimbursement	0.4	0.4	
Restructuring related charges	10.5	10.5	
Stock-based compensation expense	14.5	13.5	
Legal matters	16.6	16.6	
Loss on sale of business	1.1	1.1	
Other items	1.3	1.3	
Income tax effect of adjustments	(11.4)	(11.1)	
Adjusted Net Income	\$ 63.5	\$ 73.4	

⁵ Does not include any non-recurring charges that may occur during the period shown other than those presented in this reconciliation. See "Cautionary Statement About Forward-Looking Statements" above

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