



# REV GROUP, INC. REPORTS STRONG FISCAL 2021 THIRD QUARTER RESULTS

Sep. 8th, 2021

## Board Approves a New \$150.0 Million Share Repurchase Authorization

- Third quarter net sales of \$593.3 million compared to \$582.2 million in the prior year quarter, an increase of 1.9%
- Third quarter net income of \$23.7 million compared to a net loss of \$3.6 million in the prior year quarter
- Third quarter Adjusted EBITDA of \$41.6 million, an increase of 1.9% compared to \$41.6 million in the prior year quarter
- Third quarter Adjusted Net Income of \$6.3 million, an increase of 1.9% compared to \$6.3 million in the prior year quarter
- Year-to-date net cash used in operating activities of \$150.0 million compared to \$150.0 million in the prior year period
- End of third quarter cash balance of \$1.1 billion compared to \$1.1 billion in the prior year period
- Provides update to 1.9% growth in net sales for the year to date
- Board of directors approved a new \$150.0 million share repurchase authorization

BROOKFIELD, Wis.--(BUSINESS WIRE)--REV Group, Inc., a leading manufacturer of specialty vehicles, today reported fiscal 2021 third quarter results. Consolidated net sales were \$593.3 million, an increase of 1.9% compared to \$582.2 million for the third quarter of 2020. The increase in net sales was primarily due to an increase in net sales in the Fire & Emergency segment, partially offset by a decrease in net sales in the Recreation segment.

The company's third quarter net income was \$23.7 million, or \$0.10 per diluted share, compared to \$21.4 million in the third quarter 2020. The increase in Adjusted EBITDA during the quarter was driven by increased contribution from the F&E and Recreation segments partially offset by a decrease in the Commercial segment.

"We delivered another strong quarter of earnings performance and cash generation while continuing to manage through supply chain and labor challenges that impacted our top line growth. Our end markets remain strong with solid order intake in each of our segments, resulting in REV Group's seventh consecutive record backlog," REV Group Inc. President and CEO Rod Rushing said. "Improved cash generation and resulting debt reduction has positioned us with the capacity to pursue our strategic growth agenda as well as the share repurchase authorization approved by our board of directors."

## REV Group Third Quarter Segment Highlights

### Fire & Emergency Segment

F&E segment net sales were \$269.5 million in the third quarter 2021, a decrease of \$37.2 million, or 12.1%, from \$306.7 million in the third quarter 2020. The decrease in net sales compared to the prior year quarter was primarily due to decreased shipments of fire apparatus and ambulances units compared to the prior year quarter related to supply chain disruption and labor constraints. F&E segment backlog at the end of the third quarter 2021 was

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was \$41.6 million,



\$1,229.5 million, an increase of \$189.8 million compared to \$1,039.7 million at the end of the third 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 \$15.8 million in the third quarter 2021, an increase of \$2.9 million, or 22.5%, from \$12.9 million in the third quarter 2020. Profitability within the segment benefited primarily from cost and efficiency improvements and lower selling, general and administrative ("SG&A") costs, partially offset by lower sales volume and inefficiencies resulting from supply chain disruptions and labor constraints.

## Commercial Segment

Commercial segment net sales were \$111.3 million in the third quarter 2021, an increase of \$18.9 million, or 20.5%, from \$92.4 million in the third quarter 2020. The increase in net sales compared to the prior year quarter was primarily due to increased shipments of municipal transit buses, terminal trucks and street sweepers partially offset by decreased shipments of school buses. Commercial segment backlog at the end of the third quarter 2021 was \$312.0 million, an increase of \$11.5 million compared to \$300.5 million at the end of the third quarter 2020. The increase was primarily the result of increased orders for school busses, terminal trucks and street sweepers, partially offset by a decline in orders for municipal transit buses.

Commercial segment Adjusted EBITDA was \$9.7 million in the third quarter 2021, a decrease of \$0.6 million, or 5.8%, from \$10.3 million in the third quarter 2020. The decrease in EBITDA was primarily the result of negative mix contribution related to decreased sales of school buses and municipal transit vehicles, partially offset by increased sales of street sweeper businesses.

## Recreation Segment

Recreation segment net sales were \$182.7 million in the third quarter 2021, an increase of \$1.1 million, or 0.6%, from \$182.7 million in the third quarter 2020. The increase in net sales was primarily due to increased sales rates related to supply chain disruptions. Recreation segment backlog at the end of the third quarter 2021 was \$1,157.0 million, an increase of \$11.5 million compared to \$1,145.5 million at the end of the third quarter 2020. The increase was primarily the result of increased backlog for municipal transit vehicles.

Recreation segment Adjusted EBITDA was \$12.1 million in the third quarter 2021, an increase of \$1.2 million, or 9.2%, from \$12.1 million in the third quarter 2020. The increase in EBITDA was primarily from increased sales, stronger price realization and improved profitability, partially offset by increased costs related to supply chain disruptions.

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Commercial segment Adjusted EBITDA was \$9.7 million in the third quarter 2021, a decrease of \$0.6 million, or 5.8%, from \$10.3 million in the third quarter 2020. The decrease in EBITDA was primarily the result of negative mix contribution related to decreased sales of school buses and municipal transit vehicles, partially offset by increased sales of street sweepers.

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## Working Capital, Liquidity, and Capital Allocation

Cash and cash equivalents totaled \$9.2 million as of July 31, 2021. Net debt<sup>2</sup> was \$240.8 million, and the company had \$276.8 million available under its ABL revolving credit facility as of July 31, 2021, an increase of \$53.1 million as compared to the April 30, 2021 availability of \$223.1 million. Trade working capital<sup>3</sup> for the company as of July 31, 2021 was \$405.5 million, compared to \$449.9 million as of July 31, 2020. The decrease was primarily due to decreased accounts receivable and decreased inventory partially offset by decreased payables. Capital expenditures in the third quarter 2021 were \$5.3 million compared to \$2.0 million in the third quarter 2020.

## Share Repurchase Program

On September 2, 2021, the company's board of directors approved the authorization of a new share repurchase program that allows the repurchase of up to \$150.0 million of the company's outstanding common stock, effective immediately. The share repurchase authorization expires in 24 months and gives management the flexibility to determine conditions under which shares may be purchased.

## Updated Fiscal Year 2021 Outlook



The company also provided its updated outlook for its fiscal year ending October 31<sup>st</sup>, 2021, which includes the following performance expectations:

(\$ in millions)	Full Fiscal Year 2021			
	Updated Guidance		Prior Guidance	
	Low	High	Low	High
Net Sales	\$ 2,300	\$ 2,450	\$ 2,450	\$ 2,600
Net Income	\$ 54	\$ 64	\$ 52	\$ 68
Adjusted EBITDA	\$ 140	\$ 150	\$ 145	\$ 160
Adjusted Net Income	\$ 74	\$ 83	\$ 73	\$ 88
Free Cash Flow <sup>4</sup>	\$ 90	\$ 100	\$ 65	\$ 88

## Quarterly Dividend

The company's board of directors declared a quarterly cash dividend in the amount of \$0.05 per share of common stock, which equates to a rate of \$0.20 per share of common stock on an annualized basis, payable on October 15, 2021, to shareholders of record on September 30, 2021.

## Conference Call

A conference call to discuss the results will be held on September 8, 2021, at 10:00 a.m. Eastern Time. The call will be webcast live on our website. The call will be recorded and available for replay. To participate in the conference call, please follow instructions for live participants. The recording will be available for 12 months.

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eduled for September 8, 2021. Investors can go to the event and ask questions.

## About REV Group

REV Group (REVG) is a leading provider of specialty vehicles and equipment for the emergency services, commercial and industrial segments: Fire & Emergency Services, Commercial Vehicles, Industrial Applications, including Material Handling (forklifts, trucks, buses), commercial interiors, and specialty vehicles. Our diverse product offerings include recognizable names with a history that date back more than 100 years.

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and related services, through three solutions for houses, and transit (recreational vehicles). Many of the most recognizable product categories are investors-REVG

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## Note Regarding Non-GAAP Financial 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 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 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 updated outlook for the full fiscal year 2021.

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, except as required by applicable law.

<sup>1</sup> REV Group, Inc. Adjusted to the nearest GAAP measure.

<sup>2</sup> Net Debt is defined as:

<sup>3</sup> Trade Working Capital advances.

<sup>4</sup> Free Cash Flow is defined as:

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(Audited)  
October 31,  
2020

## ASSETS

### Current assets:

		2020
Cash and cash equivalents	9.2	\$ 11.4
Accounts receivable, net	198.7	229.3
Inventories, net	519.7	537.2
Other current assets	39.1	34.1
Assets held for sale	7.6	—
Total current assets	774.3	812.0

Property, plant and equipment, net	154.1	168.4
Goodwill	157.3	157.3
Intangible assets, net	128.7	136.1
Right of use assets	16.9	23.2
Other long-term assets	21.6	15.3
Total assets	<u>\$ 1,252.9</u>	<u>\$ 1,312.3</u>

## LIABILITIES AND SHAREHOLDERS' EQUITY

### Current liabilities:

		2020
Current portion of long-term debt	\$ —	\$ 1.7
Accounts payable	129.6	169.5
Customer advances	183.3	170.1
Accrued warranty	22.2	24.1
Short-term lease obligations	6.9	—
Liabilities held for sale	6.1	—

Other current liabilities	85.9	73.5
Total current liabilities	434.0	447.3
Long-term debt, less current maturities	250.0	340.5
Deferred income taxes	3.2	2.9
Long-term lease obligations	10.8	16.9
Other long-term liabilities	33.4	32.4
Total liabilities	731.4	840.0
Commitments and contingencies		
<b>Shareholders' Equity:</b>		
Preferred stock (\$.001 par value, 95,000,000 shares authorized; none issued or outstanding)	—	—
Common stock (\$.001 par value, 605,000,000 shares authorized; 64,741,896 and 63,403,326 shares issued and outstanding, respectively)	0.1	0.1
Additional paid-in capital	504.1	496.1
Retained earnings (deficit)	19.9	(21.1)
Accumulated other comprehensive loss	(2.6)	(2.8)
Total shareholders' equity	521.5	472.3
Total liabilities and shareholders' equity	\$ 1,252.9	\$ 1,312.3

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	CONSOLIDATED STATEMENTS OF INCOME For the Months Ended		CONSOLIDATED STATEMENTS OF CASH FLOWS For the Months Ended	
	July 31,		July 31,	
	2021	2020	2021	2020
Net sales	\$ 1,790.9	\$ 1,661.3	\$ 1,790.9	\$ 1,661.3
Cost of sales	1,565.2	1,495.0	1,565.2	1,495.0
Gross profit	225.7	166.3	225.7	166.3
Operating expenses:				
Selling, general and administrative	141.0	157.6	141.0	157.6
Research and development	3.3	4.4	3.3	4.4
Amortization of intangible assets	7.4	10.4	7.4	10.4
Restructuring	1.0	6.0	1.0	6.0
Impairment charges	—	3.7	—	3.7
Total operating expenses	152.7	182.1	152.7	182.1
Operating income (loss)	28.5	2.1	73.0	(15.8)
Interest expense, net	3.4	5.7	14.4	20.3
Loss on early extinguishment of debt	—	—	1.4	—
(Gain) loss on business held for sale	(1.0)	—	2.8	—
Loss on sale of business	—	0.5	—	9.3
Loss (gain) on acquisition of business, net of tax	—	—	0.4	(11.9)
Income (loss) before provision (benefit) for income taxes	26.1	(4.1)	54.0	(33.5)
Provision (benefit) for income taxes	2.4	(0.5)	9.6	(13.2)
Net income (loss)	\$ 23.7	\$ (3.6)	\$ 44.4	\$ (20.3)

<b>Net income (loss) per common share:</b>				
Basic	\$ 0.37	\$ (0.06)	\$ 0.70	\$ (0.32)
Diluted	\$ 0.36	\$ (0.06)	\$ 0.68	\$ (0.32)
<b>Dividends declared per common share</b>	\$ 0.05	\$ —	\$ 0.05	\$ 0.10
<b>Adjusted net income (loss) per common share:</b>				
Basic	\$ 0.38	\$ 0.10	\$ 0.92	\$ (0.04)
Diluted	\$ 0.37	\$ 0.10	\$ 0.90	\$ (0.04)

**Weighted Average Shares Outstanding:**

Basic	64,125,216	63,134,486	63,863,441	63,011,955
Diluted	65,918,089	63,134,486	65,320,072	63,011,955

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

	<b>Nine Months Ended July 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Net income (loss)	\$ 44.4	\$ (20.3)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	24.2	30.9
Amortization of debt discounts	1.6	1.8
Stock-based compensation	5.4	7.2
Deferred income taxes	0.4	8.3
Loss on early extinguishment of debt	1.4	—
Gain on sale of assets	(1.8)	(0.8)
Impairment charges	—	3.7
Loss on business discontinued	2.8	—
Loss on sale of business	—	9.3
Loss (gain) on acquisitions	0.4	(11.9)
Changes in operating assets and liabilities	(1.8)	(3.2)
Net cash provided by operating activities	\$ 0.6	\$ 25.0
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(3.9)	(9.7)
Purchase of rental assets	—	(3.3)
Proceeds from sale of property, plant and equipment	2.5	6.7
Proceeds from sale of rental assets	—	50.9
Acquisition of business	—	(54.8)
Other investing activities	2.0	—
Net cash provided by investing activities	\$ 0.6	\$ (10.2)
<b>Cash flows from financing activities:</b>		
Net proceeds from borrowings on revolving credit facility	210.0	13.0
Repayment of long-term debt	(303.4)	(2.9)
Payment of dividends	(3.3)	(9.5)
Payment of debt issuance costs	(7.0)	—
Other financing activities	0.3	(1.4)
Net cash used in financing activities	(103.4)	(0.8)
Net (decrease) increase in cash and cash equivalents	(2.2)	\$ 14.0
Cash and cash equivalents, beginning of period	11.4	\$ 3.3
Cash and cash equivalents, end of period	<u>\$ 9.2</u>	<u>\$ 17.3</u>
<b>Supplemental disclosures of cash flow information:</b>		
Cash paid (received) for:		
Interest	\$ 12.3	\$ 18.1
Income taxes, net of refunds	<u>\$ (0.1)</u>	<u>\$ 0.4</u>

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

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2021	2020	2021	2020
<b>Net Sales:</b>				
Fire & Emergency	\$ 269.5	\$ 306.7	\$ 857.7	\$ 802.4
Commercial	111.3	92.4	292.8	393.8
Recreation	212.5	182.7	640.5	463.6
Corporate & Other	—	0.4	(0.1)	1.5
<b>Total</b>	<b>\$ 593.3</b>	<b>\$ 582.2</b>	<b>\$ 1,790.9</b>	<b>\$ 1,661.3</b>
<b>Adjusted EBITDA:</b>				
Fire & Emergency	\$ 15.8	\$ 12.9	\$ 47.6	\$ 25.1
Commercial	9.7	10.3	25.1	28.1
Recreation	24.1	12.1	64.3	17.9
Corporate & Other	(8.0)	(13.9)	(26.6)	(31.5)
<b>Total</b>	<b>\$ 41.6</b>	<b>\$ 21.4</b>	<b>\$ 110.4</b>	<b>\$ 39.6</b>

**Adjusted EBITDA Margin:**

Fire & Emergency	3.1%
Commercial	7.1%
Recreation	3.9%
<b>Total</b>	<b>2.4%</b>

**Period-End Backlog:**

Fire & Emergency	965.8
Commercial	273.8
Recreation	538.9
<b>Total</b>	<b>778.5</b>

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**ADJUSTED EBITDA BY SEGMENT**  
(In millions; unaudited)

	Three Months Ended July 31, 2021				
	Fire & Emergency	Commercial	Recreation	Corporate & Other	Total
Net income (loss)	\$ 10.6	\$ 8.9	\$ 20.6	\$ (16.4)	\$ 23.7
Depreciation and amortization	2.9	0.7	3.5	0.5	7.6
Interest expense, net	1.4	0.1	—	1.9	3.4
Provision for income taxes	—	—	—	2.4	2.4
<b>EBITDA</b>	<b>14.9</b>	<b>9.7</b>	<b>24.1</b>	<b>(11.6)</b>	<b>37.1</b>
Transaction expenses	—	—	—	0.5	0.5
Stock-based compensation expense	—	—	—	1.9	1.9
Legal matters	1.7	—	—	1.1	2.8
Net (gain) loss on sale of assets and business held for sale	(1.1)	—	—	0.1	(1.0)
Losses attributable to assets held for sale	0.3	—	—	—	0.3
<b>Adjusted EBITDA</b>	<b>\$ 15.8</b>	<b>\$ 9.7</b>	<b>\$ 24.1</b>	<b>\$ (8.0)</b>	<b>\$ 41.6</b>

**Three Months Ended July 31, 2020**

	<b>Fire &amp; Emergency</b>	<b>Commercial</b>	<b>Recreation</b>	<b>Corporate &amp; Other</b>	<b>Total</b>
Net income (loss)	\$ 7.2	\$ 7.8	\$ 8.3	\$ (26.9)	\$ (3.6)
Depreciation and amortization	3.1	1.1	3.4	1.6	9.2
Interest expense, net	1.0	0.2	0.2	4.3	5.7
Benefit for income taxes	—	—	—	(0.5)	(0.5)
<b>EBITDA</b>	<b>11.3</b>	<b>9.1</b>	<b>11.9</b>	<b>(21.5)</b>	<b>10.8</b>
Transaction expenses	0.1	—	—	0.5	0.6
Sponsor expense reimbursement	—	—	—	0.1	0.1
Restructuring costs	1.5	—	0.2	0.8	2.5
Restructuring related charges	—	—	—	0.7	0.7
Stock-based compensation expense	—	—	—	1.8	1.8
Legal matters	—	—	—	0.1	0.1
Loss (gain) on sale of business	—	0.6	—	(0.1)	0.5
Impairment charges	—	—	—	3.7	3.7
Losses attributable to assets held for sale	—	0.6	—	—	0.6
<b>Adjusted EBITDA</b>	<b>\$ 12.9</b>	<b>\$ 10.3</b>	<b>\$ 12.1</b>	<b>\$ (13.9)</b>	<b>\$ 21.4</b>

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	<b>Fire &amp; Emergency</b>	<b>Commercial</b>	<b>Recreation</b>	<b>Corporate &amp; Other</b>	<b>Total</b>
Net income (loss)	\$ (61.0)	\$ 44.4			
Depreciation & amo	2.3	24.2			
Interest expense, ne	9.4	14.4			
Loss on early exting	1.4	1.4			
Provision for income	9.6	9.6			
<b>EBITDA</b>	<b>(38.3)</b>	<b>94.0</b>			
Transaction expenses	—	3.2	3.2		
Sponsor expense re	—	0.2	0.2		
Restructuring costs	0.1	—	—	0.9	1.0
Restructuring related charges	0.3	—	—	—	0.3
Stock-based compensation expense	—	—	—	5.5	5.5
Legal matters	1.7	—	—	1.4	3.1
Net loss on sale of assets and business held for sale	1.6	—	—	0.1	1.7
Loss on acquisition of business	—	—	—	0.4	0.4
Losses attributable to assets held for sale	1.0	—	—	—	1.0
<b>Adjusted EBITDA</b>	<b>\$ 47.6</b>	<b>\$ 25.1</b>	<b>\$ 64.3</b>	<b>\$ (26.6)</b>	<b>\$ 110.4</b>

**Nine Months Ended July 31, 2020**

	<b>Fire &amp; Emergency</b>	<b>Commercial</b>	<b>Recreation</b>	<b>Corporate &amp; Other</b>	<b>Total</b>
Net income (loss)	\$ 7.1	\$ 17.6	\$ 6.9	\$ (51.9)	\$ (20.3)
Depreciation & amortization	10.2	4.7	10.2	5.8	30.9
Interest expense, net	3.5	0.9	0.4	15.5	20.3
Benefit for income taxes	—	—	—	(13.2)	(13.2)
<b>EBITDA</b>	<b>20.8</b>	<b>23.2</b>	<b>17.5</b>	<b>(43.8)</b>	<b>17.7</b>

Transaction expenses	0.2	—	—	2.4	2.6
Sponsor expense reimbursement	—	—	—	0.2	0.2
Restructuring costs	4.1	—	0.4	1.5	6.0
Restructuring related charges	—	—	—	3.9	3.9
Stock-based compensation expense	—	—	—	7.2	7.2
Legal matters	—	—	—	1.6	1.6
Loss on sale of business	—	5.5	—	3.8	9.3
Gain on acquisition of business	—	—	—	(11.9)	(11.9)
Impairment charges	—	—	—	3.7	3.7
Earnings attributable to assets held for sale	—	) (0.6	—	(0.2)	(0.8
Deferred purchase price payment	—	—	—	0.1	0.1
<b>Adjusted EBITDA</b>	<b>\$ 25.1</b>	<b>\$ 28.1</b>	<b>\$ 17.9</b>	<b>\$ (31.5)</b>	<b>\$ 39.6</b>

**REV GROUP, INC. AND SUBSIDIARIES**  
**ADJUSTED NET INCOME (LOSS)**

Net income (loss)	44.4	\$ (20.3)
Amortization of intangible assets	7.4	10.4
Transaction expenses	3.2	2.6
Sponsor expense reimbursement	0.2	0.2
Restructuring costs	1.0	6.0
Restructuring related charges	0.3	3.9
Stock-based compensation expense	5.5	7.2
Legal matters	3.1	1.6
Net (gain) loss on sales of assets held for sale	1.7	—
Loss on sale of business	—	9.3
Loss (gain) on acquisition of business	0.4	(11.9)
Impairment charges	—	3.7
Losses (earnings) on early extinguishment of debt	1.0	(0.8)
Deferred purchase price payment	—	0.1
Loss on early extinguishment of debt	—	1.4
Impact of tax rate change	(4.2)	—
Income tax effect of adjustments	(1.8)	(3.7)
<b>Adjusted Net Income (Loss)</b>	<b>\$ 24.5</b>	<b>\$ 6.3</b>

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**Agree**

e Months Ended July 31,	
2021	2020
44.4	\$ (20.3)
7.4	10.4
3.2	2.6
0.2	0.2
1.0	6.0
0.3	3.9
5.5	7.2
3.1	1.6
1.7	—
—	9.3
0.4	(11.9)
—	3.7
1.0	(0.8)
—	0.1
—	1.4
(4.2)	—
(1.8)	(3.7)
<b>Adjusted Net Income (Loss)</b>	<b>\$ 24.5</b>

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

	<b>Fiscal Year 2021</b>	
	<b>Low</b>	<b>High</b>
Net income (1)	\$ 54.4	\$ 63.6
Depreciation and amortization	33.0	32.0
Interest expense, net	19.0	18.0
Loss on early extinguishment of debt	1.4	1.4

Provision for income taxes	12.7	16.4
<b>EBITDA</b>	<b>120.5</b>	<b>131.4</b>
Transaction expenses	3.2	3.2
Sponsor expense reimbursement	0.8	0.4
Restructuring costs	1.0	1.0
Restructuring related charges	0.3	0.3
Stock-based compensation expense	8.0	7.5
Legal matters	3.1	3.1
Net loss on sale of assets and business held for sale	1.7	1.7
Loss on acquisition of business	0.4	0.4
Losses attributable to assets held for sale	1.0	1.0
<b>Adjusted EBITDA</b>	<b>\$ 140.0</b>	<b>\$ 150.0</b>

**REV GROUP, INC. AND SUBSIDIARIES**  
**ADJUSTED NET INCOME OUTLOOK RECONCILIATION**

Net income (1)	4.4	\$ 63.6
Amortization of intangible assets	0.0	10.0
Transaction expenses	3.2	3.2
Sponsor expense reimbursement	0.8	0.4
Restructuring costs	1.0	1.0
Restructuring related charges	0.3	0.3
Stock-based compensation expense	3.0	7.5
Legal matters	3.1	3.1
Net loss on sale of assets held for sale	1.7	1.7
Loss on acquisition of business	0.4	0.4
Losses attributable to assets held for sale	1.0	1.0
Loss on early extinguishment of debt	1.4	1.4
Impact of tax rate change	4.2)	(4.2)
Income tax effect of foreign operations	6.7)	(6.7)
<b>Adjusted Net Income</b>	<b>4.4</b>	<b>\$ 82.7</b>

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(1)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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