REV GROUP, INC. REPORTS FISCAL 2019 SECOND QUARTER RESULTS

Jun. 5th, 2019

Company achieves growth in organic net sales and backlog

- Net sales of $615.0 million grew one percent compared to the prior year quarter
- Net income of $5.6 million was lower than the prior year quarter due primarily to higher interest expense, and adjusted net income[1] ...
- Adjusted EBITDA[1] ...
- Year-to-date net cas... in the prior year period, a 10.5 perce...
- Total backlog of $1.4... higher sequentially versus first quarter, ...
- Subsequent to quar... NY) to provide approximately 400 a... million
- Repurchased 495,4... the second quarter for total consideration o...
- Company adjusts fis... for net sales, adjusted net income...

MILWAUKEE--(BUSIN... y-leading specialty vehicle brands, today ... ter 2019”). Consolidated net sales ... ent compared to $608.9 million over the ... se in consolidated net sales was driven by co... which was partially offset by lower net sales in the Fire & Emergency (“F&E”) segment.

“Our results through the first half of fiscal 2019 were generally in-line with our expectations. The actions we took over the last several quarters to improve our focus on organic growth and profitability are contributing to better results in most of our businesses,” said Tim Sullivan, CEO REV Group, Inc. “We continued to experience order growth across most of our product categories, which resulted in continued strong backlog levels in both our F&E and Commercial segments and positions us well for the remainder of the year. We believe the material and chassis supply disruptions experienced in fiscal year 2018 and through the beginning of the most recent quarter are now behind us. Lead times have improved, with some returning to historical levels, which has allowed our supply chain to stabilize. In addition, our continued focus on improving working capital efficiency and debt reduction resulted in improved, year-to-date cash used in operating activities and free cash flow was significantly better than the prior year. We remain on track to meet our full fiscal year 2019 objectives.”

The Company’s second quarter 2019 net income was $5.6 million, or $0.09 per diluted share, compared to net income of $7.4 million, or $0.11 per diluted share, in the second quarter 2018. The decline in net income was primarily due to higher interest expense. Adjusted net income for the second quarter 2019 was $15.2 million, or $0.24 per diluted share, compared to adjusted net income of $15.5 million, or $0.24 per diluted share, in the second quarter 2018. Adjusted EBITDA in the second quarter 2019 was $36.1 million, compared to $34.0 million in the second quarter 2018. The increase in consolidated adjusted EBITDA was primarily due to improved earnings in the Commercial and Recreation segments offset by a decrease in the Fire & Emergency segment.

REV Group Second Quarter Segment Highlights

Fire & Emergency Segment

Fire & Emergency ("F&E") segment net sales were $247.1 million for the second quarter 2019, a decrease of $4.9 million, or 1.9 percent, compared to $252.0 million for the second quarter 2018. The decrease in net sales was primarily due to delayed shipments of fire trucks, which were associated with inefficiencies related to the Company's actions to increase capacity at two of the Company's production facilities. Net sales of ambulances were roughly flat compared to the same period last year. F&E backlog at the end of the second quarter 2019 was up 11.2 percent to $786.5 million compared to $707.5 million at the end of fiscal year 2018 and was up 6.5 percent sequentially compared to the first quarter of 2019. The FDNY contract was awarded post second quarter 2019 and is additive to the backlog.

Second quarter 2019 F&E segment adjusted EBITDA declined to $15.1 million, compared to $21.8 million in the second quarter 2018. Second quarter 2019 F&E segment adjusted EBITDA margin was 6.1 percent of net sales, compared to 8.7 percent in the second quarter 2018. This decrease in F&E segment adjusted EBITDA was primarily due to the lower sales as well as inefficiencies caused by the ramp up of fire truck capacity and residual impact of material and supply ch … arter, we believe our capacity expansion po … remainder of fiscal year 2019 and beyond …

"F&E results were bel … uction of fire trucks have taken longer to i … during each month of the quarter and believe … apitalize on strong demand and market c … s to grow, which shows our strong com … ment in this segment's performanc …

Commercial Segmen…

Commercial segment … $12.0 million, or 7.6 percent, compared to … primarily due to an increase in sales of sc … rease in shipments of shuttle buses and the … 2019. Transit bus shipments relating to t … quarter 2019. Commercial backlog a … 4.3 percent compared to $381.4 million at the end of fiscal year 2018 and was up 2.0 percent sequentially compared to the first quarter of 2019.

Second quarter 2019 Commercial segment adjusted EBITDA increased 54.7 percent to $14.7 million, compared to $9.5 million in the second quarter 2018. The increase in Commercial segment adjusted EBITDA compared to the prior year period was primarily due to increased volumes of certain higher margin buses, terminal trucks and the disposition of the underperforming mobility van business. Second quarter 2019 Commercial segment adjusted EBITDA margin was 8.6 percent of net sales compared to 6.0 percent in the second quarter 2018.

Mr. Sullivan commented, "The Commercial segment continues to perform in line with our expectations and deliver improving results, as evidenced by growing sales and profitability levels compared to last year. The rebound of the segment's sales mix back toward school and transit buses as well as operational improvements across all our Commercial segment businesses are helping us drive solid growth and improved profits. Both school and transit bus operations have ramped up to meet increased demand, and the performance of those business lines remains encouraging. We also continue to observe strong demand across nearly all of the segment's product categories evidenced by the segment's backlog growth."

Recreation Segment

Recreation segment net sales were $199.7 million for the second quarter 2019, an increase of $0.9 million, or 0.5 percent, compared to $198.8 million for the second quarter 2018. The increase in net sales was primarily due to increases in sales across the majority of the Company's RV brand lineup, partially offset by a decrease in sales of Class A motorhomes. Recreation segment backlog at the end of the second quarter 2019 was $169.0 million, which was down 41.9 percent from $290.7 million at the end of fiscal year 2018 and was down 25.0 percent sequentially compared to the first quarter of 2019. The decrease in Recreation backlog was primarily reflective of the softer Class A RV market.

Second quarter 2019 Recreation segment adjusted EBITDA increased 36.2 percent to $17.3 million, compared to $12.7 million for the second quarter 2018. Second quarter 2019 Recreation segment adjusted EBITDA margin grew 230 basis points to 8.7 percent of net sales compared to 6.4 percent in the second quarter 2018. The expansion in profitability was attributable to higher volumes and improved profitability in the Class B and Super C product categories as well as improved profitability in the Company's towables product line.

Mr. Sullivan commented, "While the broader RV market continues to show softening, particularly at the wholesale level, demand for our Class B, Super C, and towable brands remains in-line with the outlook we provided earlier in the year. We continue to adapt to the changes in this market and shifting our mix has helped to drive significant year-over-year adjusted EBITDA improvement in the segment this quarter. We believe we are well positioned in the market as the industry continues to adjust to current demand levels and that our first-class brands and ongoing performance improvements in this segment will support continued growth in profitability."

Net Working Capital,

Net working capital[2] fo ... .3 million at the end of
the first quarter and $4 ... us the prior year-end
was primarily due to th ... ly flat sequentially as
the Company continue

Capital expenditures i ... the second quarter
2018. This decline in c ... Company's annual
capital expenditure inv ... various information
technology systems.

Net cash used in oper ... $43.8 million in the
second quarter 2018. ... ter was related to the
Company's focus on e ... er prior quarter, the
magnitude of the norm ... ar.

Cash and equivalents ... 1.8 million (net of
deferred financing costs). During the second quarter 2019 the Company exercised a $50.0 million incremental commitment option under its term loan agreement, which increased total borrowing under the facility from $125.0 million to $175.0 million. Proceeds from the incremental commitment were used to repay a portion of the outstanding borrowings under the Company's ABL Facility.

Fiscal 2019 Full Year Outlook

Mr. Sullivan concluded, "Our view of end market demand and macro conditions remain generally favorable to our business. We are committed to restoring operating efficiency across our business and believe we will see continued improvement of results in the second half of the year. We believe our current challenges relate to efficiently increasing our capacity to address the strong demand in Fire and to navigate the soft RV end market. Also, the new tariff announcements are generally outside of our business, but given our experience over the last 12 months we have been staying ahead of possible raw material price increases and believe we are well positioned to manage the potential impact. As global supply chains have adjusted to the current tariff environment and noise, we don't expect a repeat of the material and chassis hoarding that went on last year which was a large contributor to our supply disruptions. With all these internal and external forces in mind, we are reaffirming our full year guidance for fiscal year 2019 revenues of $2.4 to $2.6 billion, adjusted net income of $66 to $84 million, adjusted EBITDA of $150 to $170 million, net cash provided by operating activities of $110 to $130 million, and capital expenditures of $25 to $30 million. Based on actual results through the first half of fiscal 2019, we are adjusting our guidance for net income to be in the range of $31 to $51 million."

Stock Repurchase Program

During the quarter ended April 30, 2019, the Company repurchased 495,475 shares under its repurchase program at a total cost of $5.3 million at an average price per share of $10.77. As of April 30, 2019, the Company had $41.3 million of authorization remaining under the program.

Quarterly Dividend

Our board of directors declared the regular quarterly dividend for our second quarter 2019, payable on August 30, 2019, to holders of record as of July 30, 2019, 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.

Conference Call

REV Group, Inc. will host a conference call to discuss its second quarter 2019 results and outlook on June 6th at 11:00 a.m. EDT. A supplemental earnings slide deck will be available tomorrow morning on the REV Group, Inc. investor relations webs... net. To access the webcast, listeners can ... ents at least 15 minutes prior to the ev... the call and related question and answer s...

About REV Group

REV Group, Inc. (NYS... vehicles and related aftermarket parts and ... ates through three segments: Fire & Eme... tions for applications including: essential ne... es), industrial and commercial (terminal t... ational vehicles ("RVs"), travel trailers ... ncipal vehicle brands including many of the ... ds pioneered their specialty vehicle produ...

Note Regarding Non-...

REV Group reports its ... principles ("GAAP"). However, managemen... nay 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 as adjusted for certain non-recurring, one-time and other adjustments which REV Group believes are not indicative of its underlying operating performance. Adjusted net income represents net income, as adjusted for certain items described below that we believe are not indicative of our ongoing operating performance.

REV Group believes that the use of adjusted EBITDA and adjusted net income provides 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. See the Appendix to this news release (and our other filings with the SEC) for reconciliations of adjusted EBITDA and adjusted net income to the most closely comparable financial measures calculated in accordance with GAAP.

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.

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.

Investors-REVG

[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.

[2] Net Working capital i ... ding current portion of long-term debt).

CONDENSED

ASSETS		
Current assets:		
Cash and cash equiv	[illegible]	[illegible]
Accounts receivable,	[illegible]	[illegible]
Inventories, net	[illegible]	[illegible]
Other current assets	[illegible]	[illegible]
Total current assets	[illegible]	[illegible]
Property, plant and eq	[illegible]	[illegible]
Goodwill	159.8	161.8
Intangibles assets, net	167.7	174.6
Other long-term assets	14.7	14.3
Total assets	$ 1,413.3	$ 1,408.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 1.8	$ 1.3
Accounts payable	196.5	218.1
Customer advances	123.8	117.8
Other current liabilities	78.2	80.0
Total current liabilities	400.3	417.2
Long-term debt, less current maturities	460.0	420.6
Deferred income taxes	23.2	19.9
Other long-term liabilities	13.5	18.0
Total liabilities	897.0	875.7
Commitments and contingencies		

Shareholders' equity	516.3	532.4
Total liabilities and shareholders' equity	$ 1,413.3	$ 1,408.1

REV GROUP, INC.
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions, except shares and per share amounts)

	Three Months Ended		Six Months Ended	
	April 30, 2019	**April 30, 2018**	**April 30, 2019**	**April 30, 2018**
Net sales	$ 615.0	$ 608.9	$ 1,133.7	$ 1,123.8
Cost of sales	542.6	536.0	1,015.0	998.4
Gross profit	72.4	72.9	118.7	125.4
Operating expenses:				
Selling, general and administrative	48.6	48.8	96.3	89.7
Research and devel[illegible]	[illegible]	[illegible]	2.5	3.2
Amortization of intar[illegible]	[illegible]	[illegible]	9.3	9.1
Restructuring	[illegible]	[illegible]	2.9	6.0
Impairment charges	[illegible]	[illegible]	2.8	—
Total operating exp[illegible]	[illegible]	[illegible]	113.8	108.0
Operating income	[illegible]	[illegible]	4.9	17.4
Interest expense, ne[illegible]	[illegible]	[illegible]	15.8	11.5
Income (loss) befo[illegible]	[illegible]	[illegible]	(10.9)	5.9
Provision (benefit) for[illegible]	[illegible]	[illegible]	(1.9)	(11.0)
Net income (loss)	[illegible]	[illegible]	(9.0)	$ 16.9
Income (loss) per co[illegible]				
Basic	[illegible]	[illegible]	(0.14)	$ 0.26
Diluted	$ 0.09	$ 0.11	$ (0.14)	$ 0.25
Dividends declared per common share	$ 0.05	$ 0.05	$ 0.10	$ 0.10
Adjusted income per common share:				
Basic	$ 0.24	$ 0.24	$ 0.20	$ 0.39
Diluted	$ 0.24	$ 0.24	$ 0.20	$ 0.38
Weighted Average Shares Outstanding:				
Basic	62,957,854	64,577,469	62,994,738	64,429,854
Diluted	63,347,614	66,267,594	62,994,738	66,388,767

REV GROUP, INC.
CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)

	Six Months Ended	
	April 30, 2019	**April 30, 2018**

Cash flows from operating activities:		
Net (loss) income	$ (9.0)	$ 16.9
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	23.8	22.1
Amortization of debt issuance costs	1.0	0.9
Stock-based compensation expense	4.8	3.7
Deferred income taxes	3.3	(10.4)
Gain on disposal of property, plant and equipment	(1.4)	(2.0)
Impairment charges	2.8	—
Changes in operating assets and liabilities, net of effects of business acquisitions	(64.5)	(75.0)
Net cash used in operating activities	(39.2)	(43.8)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(9.4)	(23.6)
Purchase of rental fleet vehicles	(3.0)	(14.2)
Proceeds from sale of property, plant and equipment	17.1	5.8
Acquisition of businesses, net of cash acquired	—	(57.2)
Net cash provide		(89.2)
Cash flows from finan		
Net (repayments) pr		139.6
Net proceeds from b		—
Payment of dividend		(6.4)
Repurchase and ret		(4.8)
Other financing activ		-
Net cash provide		128.4
Net decrease in cash		(4.6)
Cash and cash equiv		17.8
Cash and cash equiv		$ 13.2

	Three Months Ended April 30, 2019	Three Months Ended April 30, 2018	Six Months Ended April 30, 2019	Six Months Ended April 30, 2018
Net Sales:				
Fire & Emergency	$ 247.1	$ 252.0	$ 451.2	$ 467.3
Commercial	170.0	158.0	310.6	290.2
Recreation	199.7	198.8	375.9	366.0
Corporate & Other	(1.8)	0.1	(4.0)	0.3
Total Company Net Sales	$ 615.0	$ 608.9	$ 1,133.7	$1,123.8
Adjusted EBITDA:				
Fire & Emergency	$ 15.1	$ 21.8	$ 23.4	$ 39.9
Commercial	14.7	9.5	19.7	13.9
Recreation	17.3	12.7	26.5	20.8
Corporate & Other	(11.0)	(10.0)	(21.2)	(19.2)
Total Company Adjusted EBITDA	$ 36.1	$ 34.0	$ 48.4	$ 55.4

Adjusted EBITDA Margin:				
Fire & Emergency	6.1%	8.7%	5.2%	8.5%
Commercial	8.6%	6.0%	6.3%	4.8%
Recreation	8.7%	6.4%	7.0%	5.7%
Corporate & Other	n/m	n/m	n/m	n/m
Total Company Adjusted EBITDA Margin	5.9%	5.6%	4.3%	4.9%

Period-End Backlog:	April 30, 2019	January 31, 2019	October 31, 2018	April 30, 2018
Fire & Emergency	$ 786.5	$ 738.2	$ 707.5	$ 633.8
Commercial	435.9	427.5	381.4	397.2
Recreation	169.0	225.2	290.7	239.5
Total Company Backlog	$1,391.4	$ 1,390.9	$ 1,379.6	$1,270.5

REV GROUP, INC.
ADJUSTED EBITDA BY SEGMENT
(Unaudited; dollars in millions)

	019	
	orate & Other	Total
Net income (loss)	(27.4)	$ 5.6
Depreciation & amor	1.8	11.6
Interest expense, ne	6.5	8.0
Provision for income	2.5	2.5
EBITDA	(16.6)	27.7
Sponsor expense rei	—	0.1
Restructuring costs	1.0	1.8
Stock-based compen	3.4	3.4
Legal matters	0.6	2.4
Impairment charges	—	0.1
(Earnings) losses att held for sale	—	—
Deferred purchase p	0.6	0.6
Adjusted EBITDA	(11.0)	$36.1

	Three Months Ended April 30, 2018				
	Fire & Emergency	Commercial	Recreation	Corporate & Other	Total
Net Income (loss)	$ 16.3	$ 5.7	$ 9.4	$ (24.0)	$ 7.4
Depreciation & amortization	4.0	2.8	3.1	1.2	11.1
Interest expense, net	1.0	0.8	0.1	4.2	6.1
Provision for income taxes	—	—	—	2.9	2.9
EBITDA	21.3	9.3	12.6	(15.7)	27.5
Transaction expenses	—	—	—	0.5	0.5
Sponsor expense reimbursement	—	—	—	0.1	0.1
Restructuring costs	0.3	0.2	0.1	1.3	1.9
Stock-based compensation expense	—	—	—	1.9	1.9
Legal matters	0.2	—	—	—	0.2
Deferred purchase price payment	—	—	—	1.9	1.9

Adjusted EBITDA	$ 21.8	$ 9.5	$ 12.7	$ (10.0)	$34.0

REV GROUP, INC.
ADJUSTED EBITDA BY SEGMENT
(Unaudited; dollars in millions)

	Six Months Ended April 30, 2019				
	Fire & Emergency	**Commercial**	**Recreation**	**Corporate & Other**	**Total**
Net income (loss)	$ 12.4	$ 9.5	$ 16.0	$ (46.9)	$ (9.0)
Depreciation & amortization	6.8	4.6	8.3	4.1	23.8
Interest expense, net	1.8	1.1	0.1	12.8	15.8
Benefit for income taxes	—	—	—	(1.9)	(1.9)
EBITDA	21.0	15.2	24.4	(31.9)	28.7
Transaction expenses	—	—	—	0.2	0.2
Sponsor expense reimbursement	0.1	—	—	0.5	0.6
Restructuring costs	[illegible]	[illegible]	[illegible]	1.0	2.9
Stock-based compen[illegible]	[illegible]	[illegible]	[illegible]	4.8	4.8
Legal matters	[illegible]	[illegible]	[illegible]	2.0	4.5
Impairment charges	[illegible]	[illegible]	[illegible]	—	2.8
Losses attributable t[illegible]	[illegible]	[illegible]	[illegible]	—	1.7
Deferred purchase p[illegible]	[illegible]	[illegible]	[illegible]	2.2	2.2
Adjusted EBITDA	[illegible]	[illegible]	[illegible]	$ (21.2)	$ 48.4

	[illegible]18				
	[illegible]	[illegible]	[illegible]	**[illegible]orate & Other**	**Total**
Net Income (loss)	[illegible]	[illegible]	[illegible]	$ (29.4)	$ 16.9
Depreciation & amor[illegible]	[illegible]	[illegible]	[illegible]	2.1	22.1
Interest expense, ne[illegible]	[illegible]	[illegible]	[illegible]	7.8	11.5
Benefit for income ta[illegible]	[illegible]	[illegible]	[illegible]	(11.0)	(11.0)
EBITDA	[illegible]	[illegible]	[illegible]	(30.5)	39.5
Transaction expense[illegible]	[illegible]	[illegible]	[illegible]	1.9	2.1
Sponsor expense reimbursement	—	—	—	0.3	0.3
Restructuring costs	0.3	0.1	2.4	3.2	6.0
Stock-based compensation expense	—	—	—	3.7	3.7
Non-cash purchase accounting expense	0.4	0.3	—	—	0.7
Legal matters	0.6	0.3	—	—	0.9
Deferred purchase price payment	—	—	—	2.2	2.2
Adjusted EBITDA	$ 39.9	$ 13.9	$ 20.8	$ (19.2)	$ 55.4

REV GROUP, INC.
ADJUSTED NET INCOME
(Unaudited; in millions)

	Three Months Ended		Six Months Ended	
	April 30, 2019	**April 30, 2018**	**April 30, 2019**	**April 30, 2018**
Net income (loss)	$ 5.6	$ 7.4	$ (9.0)	$ 16.9
Amortization of Intangible Assets	4.6	4.3	9.3	9.1
Transaction Expenses	—	0.5	0.2	2.1

Sponsor Expense Reimbursement	0.1	0.1	0.6	0.3
Restructuring Costs	1.8	1.9	2.9	6.0
Stock-based Compensation Expense	3.4	1.9	4.8	3.7
Non-cash Purchase Accounting Expense	—	—	—	0.7
Legal Matters	2.4	0.2	4.5	0.9
Impairment Charges	0.1	—	2.8	—
Losses attributable to assets held for sale	—	—	1.7	—
Deferred Purchase Price Payment	0.6	1.9	2.2	2.2
Impact of Tax Rate Change	—	—	—	(10.4)
Income Tax Effect of Adjustments	(3.4)	(2.7)	(7.7)	(6.1)
Adjusted Net Income	$ 15.2	$ 15.5	$ 12.3	$ 25.4

REV GROUP, INC.
ADJUSTED EBITDA OUTLOOK RECONCILIATION
(Dollars in millions)

	Fiscal Year 2019	
	Low	**High**
Net Income	$ 31.0	$ 51.0
Depreciation and amortization	47.5	45.0
Interest expense, ne		
Income tax expense		
EBITDA		
Transaction expens		
Sponsor expense re		
Restructuring costs		
Stock-based compe		
Legal matters		
Impairment charges		
Losses attributable t		
Deferred purchase p		
Adjusted EBITDA		

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ADJUSTED NET INC
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	Low	High
Net Income	$ 31.0	$ 51.0
Amortization of intangible assets	19.0	19.0
Transaction expenses	0.5	0.5
Sponsor expense reimbursement	1.5	1.0
Restructuring costs	3.0	3.0
Stock-based compensation expense	8.5	7.5
Legal matters	6.0	5.0
Impairment charges	3.0	2.5
Losses attributable to assets held for sale	2.0	1.5
Deferred purchase price payment	3.5	3.5
Income tax effect of adjustments	(12.0)	(10.5)
Adjusted Net Income	$ 66.0	$ 84.0

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