

REV GROUP, INC.

Financial Report Fiscal First Quarter 2021

NYSE:REVG



March 10, 2021

Cautionary Statement & Non-GAAP Measures



Disclaimers

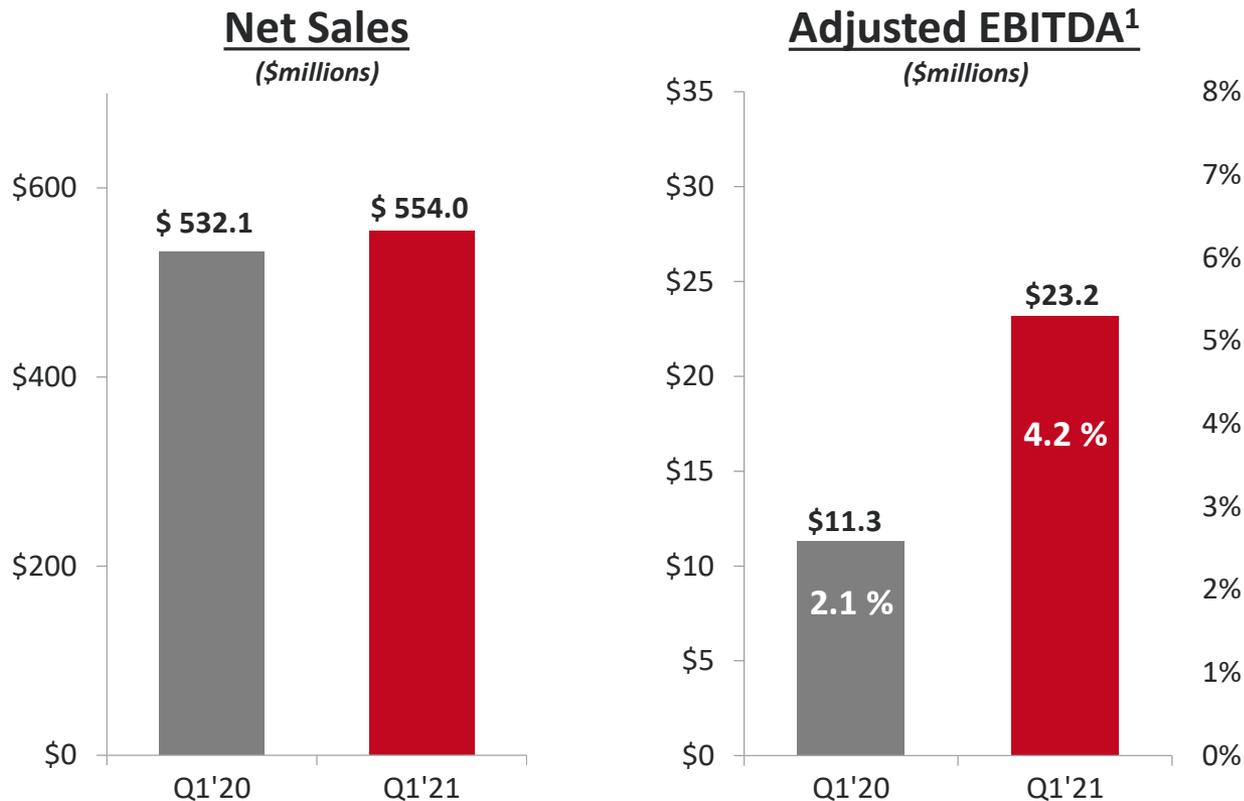
Note Regarding Non-GAAP Measures

REV Group reports its financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). However, management believes that the evaluation of REV Group’s 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 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 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 presentation (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.

Cautionary Statement About Forward-Looking Statements

This presentation contains statements that REV Group believes to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. 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 presentation and include statements regarding REV Group’s intentions, beliefs, goals or current expectations concerning, among other things, its results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which we operate, including REV Group’s outlook for the full-year fiscal 2021. REV Group’s forward-looking statements are subject to risks and uncertainties, including those highlighted under “Risk Factors” and “Cautionary Note Regarding on Forward-Looking Statements” in REV Group’s public filings with the SEC and the other risk factors described from time to time in subsequent quarterly or annual reports on Forms 10-Q or 10-K, which 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 of this presentation. REV Group 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.

First Quarter Fiscal 2021: Consolidated Results



- Net sales of \$554.0 million, increased 4.1% compared to prior year quarter
- 1Q adjusted EBITDA¹ of \$23.2 million, increased 105% compared to prior year quarter
- Adjusted EBITDA margin of 4.2%, increased 210 basis points compared to prior year quarter

¹ For a reconciliation of net income (loss) to Adjusted Net Income and Adjusted EBITDA, see the Appendix to this presentation.

First Quarter Fiscal 2021 Highlights



Iconic Brand Milestones



Wheeled Coach – 45 years
Fleetwood Bounder – 35 years
Fleetwood Discovery – 25 years



**Class A record 2021
Tampa Super Show**

Sales up 40% year-over-year
driven by Fleetwood RV Discovery
and Holiday Rambler Nautica



New Products



Active Air Purification System
Spartan FC-94 purpose-built chassis
Emergency Traumahawk telematics
Hyster-Yale JV for Electric & Hydrogen terminal trucks



New Dealer Signings

Across Fire, Emergency and
Recreation businesses

First Quarter Fiscal 2021: Fire & Emergency Segment



F&E Revenue (\$millions)



- Spartan ER fiscal 1Q21 net sales \$61.9 million
- Increased legacy fire and ambulance unit throughput despite lingering COVID-19 disruptions
- Price realization in fire division and higher mix within ambulance division

F&E Adj. EBITDA¹ (\$millions)



- Improved profitability in both fire and ambulance divisions
- Higher volumes, stronger price realization and operational performance improvements all contributed
- Working through lingering absenteeism related to COVID-19

Outlook

- \$1,018 million total F&E backlog reflects Spartan ER acquisition and strong ambulance inbound orders
- 1Q fire and ambulance orders increased 28% and 5% year-over-year respectively
- Solid order trends and backlog support full year mid-single digit organic growth
- Expecting year-over-year and sequential margin improvement through the remainder of fiscal year 2021
- F&E production, absenteeism, inspection and deliveries have improved in recent months however COVID-19 related supply chain disruptions remain

¹ For a reconciliation of net income (loss) to Adjusted Net Income and Adjusted EBITDA, see the Appendix to this presentation.

First Quarter Fiscal 2021: Commercial Segment

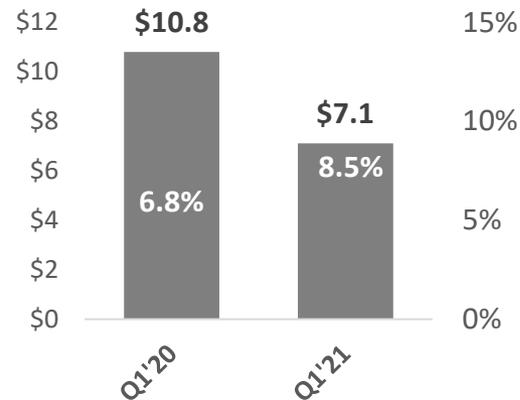


Commercial Revenue (\$millions)



- Shuttle bus net revenue \$49.8 million in the prior year quarter
- Lower sales of school bus & municipal transit buses
- Higher sales of terminal trucks and street sweepers

Commercial Adj. EBITDA¹ (\$millions)



- Shuttle bus Adj. EBITDA \$0.8 million in prior year quarter
- Lower volumes and resulting productivity at school bus and municipal transit businesses due to COVID-19 related disruptions
- Higher volume and productivity in terminal trucks and street sweepers

Outlook

- \$234.0 million total organic Commercial backlog reflects a year-over-year decline in school bus orders and timing of a large municipal transit order
- School bus quoting activity has returned to normal seasonality
- Advancing in bid process for several municipal transit awards
- Optimistic that vaccine availability and adoption will support transportation market order rates in the second half
- Positive COVID-19 cases have declined in recent weeks however COVID-19 related supply chain disruptions remain

¹ For a reconciliation of net income (loss) to Adjusted Net Income and Adjusted EBITDA, see the Appendix to this presentation.

First Quarter Fiscal 2021: Recreation Segment



Recreation Revenue

(\$millions)



- Net sales of \$190.2 million reflects continued strong end market demand and sales across all categories
- Lower discounting and dealer allowances
- Increased Class B and C shipments, improved Class A mix, however towable unit sales impacted by COVID-19 related disruption

Recreation Adj. EBITDA¹

(\$millions)



- Year-over-year productivity improvement across all categories despite COVID-19 related disruptions that occurred primarily within Class A and towable businesses

Outlook

- Recreation backlog of \$754.3 million represents continued strong order intake in all categories
- Orders increased 163% year-over-year
- Prior year second fiscal quarter was impacted by production shutdowns
- Retail sales remain in line with wholesale shipments
- Dealer inventories remain near historic lows
- Tight labor markets and COVID-19 related supply chain and labor disruptions remain

¹ For a reconciliation of net income (loss) to Adjusted Net Income and Adjusted EBITDA, see the Appendix to this presentation.



Corporate highlights

- **Net cash provided by operating activities: \$1.9 million**
- **Trade working capital¹: \$444.6 million**
- **Balance sheet: net debt² \$323 million includes \$9.1 million cash**
- **\$230 million available under ABL revolving credit facility; working with banking partners to refinance facilities before it becomes current**
- **Agreement to divest REV Brazil**

Register Today – Analyst & Investor Day

- **April 15, 2021 – [Register here for REV Group, Inc. 2021 Analyst and Investor Day](#)**

¹ Trade working capital is defined as accounts receivable plus inventories less accounts payable and customer advances

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



Fiscal 2021 Guidance		
	<u>2021 Guidance</u>	<u>2020 Actual</u>
Net Sales:	\$2.45 to \$2.6 billion	\$2.3 billion
Adjusted EBITDA:	\$125 to \$135 million	\$67.5 million
Free Cash Flow¹:	\$45 to \$70 million	\$42.2 million
Adjusted Net Income:	\$56 to \$70 million	\$9.5 million
Net Income:	\$38 to \$52 million	\$(30.5) million

Modeling guidance: Capital expenditures of \$20 to \$25 million, interest expense of \$19 to \$23 million, effective tax rate of 26 percent to 28 percent

¹ Free cash flow is defined as cash from operations less capital expenditures

Closing Remarks



Appendix

Reconciliation of Net Income (Loss) to Adjusted EBITDA by Segment



(Dollars in Millions)

	Three Months Ended January 31, 2021				
	Fire & Emergency	Commercial	Recreation	Corporate & Other	Total
Net income (loss)	\$ 2.5	\$ 6.2	\$ 11.4	\$ (20.1)	\$ —
Depreciation and amortization	3.1	0.7	3.6	1.2	8.6
Interest expense, net	1.6	0.2	0.1	3.6	5.5
Benefit for income taxes	—	—	—	—	—
EBITDA	7.2	7.1	15.1	(15.3)	14.1
Transaction expenses	—	—	—	2.3	2.3
Sponsor expense reimbursement	—	—	—	0.2	0.2
Restructuring costs	0.1	—	—	0.9	1.0
Stock-based compensation expense	—	—	—	1.9	1.9
Legal matters	—	—	—	0.4	0.4
Net loss on sale of assets and business held for sale	2.7	—	—	—	2.7
Loss on acquisition of business	—	—	—	0.4	0.4
Losses attributable to assets held for sale	0.2	—	—	—	0.2
Adjusted EBITDA	\$ 10.2	\$ 7.1	\$ 15.1	\$ (9.2)	\$ 23.2

	Three Months Ended January 31, 2020				
	Fire & Emergency	Commercial	Recreation	Corporate & Other	Total
Net income (loss)	\$ (3.0)	\$ 8.0	\$ 3.2	\$ (17.6)	\$ (9.4)
Depreciation and amortization	3.5	1.9	3.5	1.9	10.8
Interest expense, net	1.2	0.3	0.1	5.7	7.3
Provision for income taxes	—	—	—	(2.6)	(2.6)
EBITDA	1.7	10.2	6.8	(12.6)	6.1
Transaction expenses	—	—	—	1.1	1.1
Sponsor expense reimbursement	—	—	—	0.1	0.1
Restructuring costs	—	—	0.2	0.4	0.6
Stock-based compensation expense	—	—	—	2.6	2.6
Legal matters	—	—	—	0.1	0.1
Losses attributable to assets held for sale	—	0.6	—	—	0.6
Deferred purchase price payment	—	—	—	0.1	0.1
Adjusted EBITDA	\$ 1.7	\$ 10.8	\$ 7.0	\$ (8.2)	\$ 11.3

Reconciliation of Net Income (Loss) to Adjusted Net Income (Loss)



(Dollars in Millions)

	Three Months Ended January 31,	
	2021	2020
Net income (loss)	\$ —	\$ (9.4)
Amortization of intangible assets	2.6	4.0
Transaction expenses	2.3	1.1
Sponsor expense reimbursement	0.2	0.1
Restructuring costs	1.0	0.6
Stock-based compensation expense	1.9	2.6
Legal matters	0.4	0.1
Net loss on sale of assets and business held for sale	2.7	—
Loss on acquisition of business	0.4	—
Losses attributable to assets held for sale	0.2	0.6
Deferred purchase price payment	—	0.1
Income tax effect of adjustments	(2.9)	(2.5)
Adjusted Net Income (Loss)	\$ 8.8	\$ (2.7)

FY2021 Adjusted EBITDA Outlook Reconciliation



(Dollars in Millions)

	Fiscal Year 2021	
	Low	High
Net income ¹	\$ 38.0	\$ 52.0
Depreciation and amortization	34.0	30.0
Interest expense, net	23.0	19.0
Income tax expense	14.1	18.9
EBITDA	109.1	119.9
Transaction expenses	2.4	2.4
Sponsor expense reimbursement	1.0	1.0
Restructuring costs	1.0	1.0
Stock-based compensation expense	7.5	7.0
Legal matters	0.7	0.4
Net loss on sale of assets and business held for sale	2.7	2.7
Loss on acquisition of business	0.4	0.4
Losses attributable to assets held for sale	0.2	0.2
Adjusted EBITDA	\$ 125.0	\$ 135.0

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.

FY2021 Adjusted Net Income Outlook Reconciliation



(Dollars in Millions)

	Fiscal Year 2021	
	Low	High
Net income ¹	\$ 38.0	\$ 52.0
Amortization of intangible assets	9.0	10.5
Transaction expenses	2.4	2.4
Sponsor expense reimbursement	1.0	1.0
Restructuring costs	1.0	1.0
Stock-based compensation expense	7.5	7.0
Legal matters	0.7	0.4
Net loss on sale of assets and business held for sale	2.7	2.7
Loss on acquisition of business	0.4	0.4
Losses attributable to assets held for sale	0.2	0.2
Income tax effect of adjustments	(6.9)	(7.6)
Adjusted Net Income	\$ 56.0	\$ 70.0

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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